

Finding sector-specific criteria for selecting digital innovation projects in corporate law firms: A literature review

Markus Martin Schulz
University of Applied Sciences
Department of Informatic
An der Hochschule 1, 86161, Augsburg
MarkusMartin.Schulz@hs-augsburg.de

Abstract

Legal tech is no longer just hype in the legal industry, instead it represents a challenge for commercial law firms regarding competitiveness. This is because companies, the clients of commercial law firms, no longer only value high-quality advisory services, but also expect digital working methods. The number of digitalisation projects are now increasing in commercial law firms, and this leads to the question, which projects should be really realized? This work presented in this paper is about strategic project portfolio management in a broader sense, because within this, projects are prioritized and selected regarding their implementation based on an evaluation scheme. For this purpose, in this study criteria were evaluated, which could be of particular importance in commercial law firms project portfolios, in addition to the usual evaluation criteria's, such as the return on investment or those of the IT architecture. Through a structured literature review, scientific publications were identified and analysed. In the process, 5 topic categories were formed from the literature, which influence digitalisation projects and therefore have the potential to lead to the formation of new evaluation criteria. Furthermore, the analysis showed clear gaps in the existing research and therefore an urgent need for further studies in this research area.

1 Introduction

The Digitisation of legal information and the transformation of legal business processes into workflows is a current megatrend in the legal industry under the buzzword "Legal Tech" and is leading to an increase in the number of new business models. It can also be seen that the volume of data processed as part of giving legal

advice has increased massively. This is not least due to Enron, Lehman Brothers and especially Volkswagen, where lawyers had to read and create hundreds of thousands of documents. The choice of digital solutions for lawyers is growing and increasingly enables the automation of defined activities. This leads not least to commercial law firms having to reorient themselves, because price pressure is thereby increasing, and the legal departments on the client side are taking over more and more activities in-house.

1.1 Law firms are professional service firms

Commercial law firms are defined by exclusive or expert knowledge and the institutionalisation of professionalism, which is the reason why they belong to the tertiary sector as professional service firms [Kai11, p. 3]. The end product of professional service firms is knowledge-intensive services [Løw09].

In the literature, a further distinction has been made between regulated industries, such as law firms, and non-regulated industries, such as consultancies [Abb91]. This distinction is important because non-regulated service firms typically do not have a central association that controls the firm in terms of decisions about business processes such as client approval, accounting and file management; instead, they are self-organised actors [Gue12, p. 13].

In contrast to traditional industries, such as manufacturing, where the knowledge of the employees is important but not the final product, professional service firms do not generate value by converting material inputs into higher-value outputs [Gue12, p. 23]. In other words, they do not conform to *Porter's* traditional value chain, as value is only generated through interaction with the client [Gue12, p. 23].

1.2 Technology-based innovations in law firms

What exactly innovation means in the context of a law firm is not well researched [cf. Vil21, p. 615]. However,

this work follows the OECD guidelines, which define innovation by law firms as a "*implementation of a new or significantly improved [...] process, a new marketing method, or a new organisational method in business practices, workplace organisations or external relations*" [OEC05, p. 46].

There is a lot of research on the question of which activities trigger innovation [cf. Sny16]. *Villani et al.* have investigated in their study which activities in law firms lead to innovation [Vil21]. They concluded that several factors must come together to create a basis for innovation. For example, basic internal structures in the organisation are an essential foundation, including "*mixed teams and innovation culture*" [Vil21, p. 620]. However, a central building block is often also technology, which can be a condition for innovation [Vil21, p. 620].

As a conclusion, they found that law firms focused on innovation followed two innovation strategies through technology: Either incremental improvement through implementation in the service process or the introduction of completely new technology-based services, which they call "*radical*" [Vil21, p. 622]. The work is based on these results and is limited to technology-based innovations.

1.3 Research question

An innovation is usually implemented in an organisation through projects [Öst95; Fle19; Mer18, p. 28]. In this process, project portfolio management is used to select projects according to the underlying strategy in order to implement them [Hir19; Mer18, p. 33]. There are various approaches in the literature for the selection of projects, such as financial-based, probability-based or even behaviour-based methods [cf. Fle19; Mer18, p. 33]. These are often used together with scoring methods, where projects are evaluated against defined criteria in order to check them for compatibility with the strategic orientation [Fle19; Mer18, p. 34]. Besides the later challenge of collecting the information for the respective projects, the complexity at the beginning is to identify and define the required criteria [cf. Hir19]. The objective of this paper is to identify possible criteria specific to the legal sector for the selection of technology-based innovation projects. This is not only a matter of asking strategic questions, but also of setting criteria that can be useful for a successful implementation.

1.4 Research area and focus

The research question covers two research areas. The first is project portfolio management, as criteria for selecting projects within a portfolio are identified, and the second is the research area of professional service firms, which includes law firms.

In Chapter 2 a theoretical overview is provided of project selection in the context of project portfolio management. As the literature is very extensive on this subject, different approaches are only briefly presented here to show how they are understood in the context of this paper. Subsequently, in Chapter 3 and 4, possible sector-specific categories for selection criteria are identified on the basis of a systematic literature analysis.

2 Fundamental concepts and their interrelations

In this section a brief theoretical background is provided on the role of projects in companies, project portfolio management and project selection. In sections 2.1 and 2.2 project portfolio management is placed in the context of innovation. In section 2.3 a brief literature overview is provided of categories of evaluation criteria for project selection.

2.1 Innovation through projects

Organisations, such as professional service firms, are social or socio-technical systems that are in a interplay with their environment [Dil16]. Therefore, events in their environment trigger the need for changes in the company [Sch13]. However, organisational structures, business processes and infrastructures must be as stable as possible in order to generate value efficiently [Wei16]. The resulting stability is not least a prerequisite for technological optimisation, controllability and the identity of the organisation.

The dynamics of business environmental change, such as technological development or competitive pressure, force organisations to be more flexible [Wei16]. Although there is increasing uncertainty about future developments, innovative products and services should be developed, which can only be achieved by changing organisational structures. *Sorge* and *van Witteloostuijn* describe this situation as a "*change dilemma*", because in

addition to stability, it is also necessary to be flexible enough to be adaptable [Sor04].

Projects enable this flexibility by providing structures that do not influence the primary organisation [Dil16]. In this way, they become a tool for implementing innovations in organisations [Öst95; Mer18, p. 28].

2.2 Innovation needs project portfolio management

Project portfolio management, as part of the corporate management, functions as a coordination and control mechanism between the system elements, the social and technological components, and the projects [Hir19; Mer18, p. 47]. For this purpose, it contains a management and controlling system so that projects can be selected, initiated and controlled [Hir19; Alt19; Mer18, p. 47]. Furthermore, it provides methods to collect information in order to enable decision-making [Hir19; Alt19].

2.2.1 Project selection approaches

Project selection is the iterative process of evaluating proposed projects and then deciding to implement them in order to achieve an organisation's strategic goals [Mer18, p. 33; Hir19]. In project portfolio management, this process also ensures that available resources are focused on the most important and valuable projects [Alt19].

Based on a categorization by *Cooper* and *Flechas et al.*, it can be seen that in the literature in this area a wide variety of methods and approaches for project selection have been developed [Coo99; Fle19]:

Financial approaches are used to evaluate projects based on their profitability in order to maximise expected returns. Different methods can be used for this, such as the amortisation method.

Probabilistic approaches are used to look at different scenarios and the distribution of possible results. Examples of probabilistic methods are Monte Carlo simulations and decision trees.

Strategic approaches are no longer based only on efficiency in terms of return on investment, but also on effectiveness in terms of impact on corporate strategy. The approaches are focused on the strategic direction of the organisation through projects. The approaches divide the available resources into different categories, which are oriented according to the strategic alignment.

Scoring models are used to rate projects on the basis of a particular set of qualitative questions. These can be approved factors, market attractiveness, synergies or even the awareness of a supplier.

Behavioural approaches are focused on bringing decision-makers to a consensus on which projects should be realised. Delphi, for example, can be considered as a method.

Mapping approaches are used to provide decision-makers with visual representation by using several parameters to create diagrams that show, for example, a simple implementation versus the effort invested.

Based on a systematic literature review by *Flechas et al.*, the different approaches have been assigned to an innovation stage that begins with incremental and ends with radical innovation [Fle19]. They used defined characteristics of the approaches, such as the consideration of the dynamics of the business environment, the existence of dependencies or the need for or availability of input data [Fle19].

2.2.2 Criteria for project selection

Each approach only delivers the results for which it is designed [Mer18, p. 45]. For this reason, a combination of approaches is often used in practice, in which the necessary information for the evaluation is collected within the framework of a project scoring procedure in order to be able to make decisions regarding project selection [Fle19; Mer18, p. 44]. Depending on which approach is chosen, criteria for project selection must be defined. In addition to return on investment, these include, for example, alignment with strategy, different project types and other non-financial factors that are company-specific [Mer18, p. 34]. This means that the relevant criteria cannot be defined in general terms, as they differ from company to company.

2.2.2.1 Requirements for a project selection model

Souder, Meredith et al. and *Pinto* have identified requirements for a project selection model. According to these authors, the model that should be developed must be realistic, in other words it must realistically reflect the organisational objectives, constraints and risks [Sou72]. In addition, it must have the ability to analyse different types of evaluation criteria and be flexible enough to be able to handle different types of projects [Mer18, p. 41].

It is also essential that it is easy to understand so that it can be transparently explained to all organisational members why a particular selection decision was made [Pin20]. The cost of creating and using the model should also be minor in relationship to the cost of the projects being evaluated [Mer18, p. 41]. It is also helpful if the information can be easily captured and processed using widely available software, such as Excel [Mer18, p. 41].

In the literature, many different criteria models have been developed, which are often related to specific project types or approaches for project selection [cf. Lev05; Pin20; Mer18; Mit18; Coo02; Eil08].

2.2.2.2 Examples of possible criteria categories

Based on a brief literature review, some examples of possible criteria categories are presented below.

Eilat et al. have divided the categories into financial aspects, such as profitability, the customer perspective (stakeholder satisfaction), the contribution to capabilities, the strategic goals of the organisation, the improvement of organisational processes, and the probability of technical and commercial success [Eil08, p. 898].

Mitchell et al. have categorised possible criteria based on the potential benefits in sales (e.g. customer benefits or market size), potential for savings and future growth, and soft factors such as the brand image. In addition, criteria were identified based on the characteristics of the project, such as technical challenges, market knowledge, capabilities, business processes and strategic fit [Mit18, p. 6].

Pinto also derived the criteria mentioned so far from a risk assessment point of view. For this he divided accordingly into technical, financial and legal risk. He also

considered internal factors, such as the need for changes in business processes [Pin20, p. 106].

It may also be necessary to consider intangible factors, such as positive effects on employee motivation and productivity [Mer18, p. 35].

3 Research method

The systematic literature review in this work followed the approach of *Webster and Watson* [Web02]. The aim was to identify peer-reviewed articles that have contributed to research on innovation in law firms so that the results could be discussed and used in the development of selection criteria. The scope of the review is summarised on the basis of the taxonomy proposed by *Cooper* in section 3.1 [Coo88]. The search process is subsequently described in detail in section 3.2.

3.1 Review scope

In order to specify the research objective of this work, the scope is presented according to *Cooper's* taxonomy for literature reviews, which was also last proposed by *vom Brocke et al.* [Coo88; Bro19].

The taxonomy is shown in *Figure 1* and covers six characteristics, each of them consisting of further categories that represent possible areas of focus. The categories highlighted in grey in *Figure 1* represent the selected focus areas for this work.

The focus of the work was to identify research findings and theories on innovation in the legal industry in order to develop evaluation criteria for project portfolio management. The general objective of the literature review was first to integrate knowledge with a slightly critical position about whether the existing contributions

Characteristics	Categories			
(1) Focus	Outcomes	Methods	Theories	Applications
(2) Goal	Integration	Criticism		Central issues
(3) Organization	Historical	Conceptual		Methodological
(4) Perspective	Neutral representation		Espousal of position	
(5) Audience	Specialists	Generalists	Practitioner's	General public
(6) Coverage	Exhaustive	Selective	Representative	Central/pivotal

Figure 1: Summary of the review scope (in accordance with [Coo88])

are valid in the context of a law firm. Furthermore, the structure of this paper will be conceptual. Moreover, the presented point of view in this paper is as neutral as possible, although some subjectivism in the presentation of the findings is almost impossible to avoid [Bro19].

The target audiences of this paper are scholars and practitioners involved in digitalisation in the legal sector.

Finally, the scope was limited to relevant literature in the topic area. This means that not all literature in the research area is presented, but only that which is of central relevance or pivotal [Coo88, p. 110]. This may include material that can be used to initiate a line of investigation or thinking, which possibly changes the research questions. Moreover, this could also include new methods, that cause the initiation of an important debate, or that perform a heuristic function [Coo88, p. 111]. The review presented here is not representative, but describes important initial work that is expected to set the direction for the field [cf. Coo88, p. 111].

Following the research scope definition, in the next section the literature review process is described in detail.

3.2 Literature search process

The literature search process began with a selection of relevant databases and search terms. This was followed by the search and refinement process.

3.2.1 Selection of database

In this work, Scopus was chosen because it is the largest citation database for peer-reviewed scholarly papers in this research context [cf. Mon16; Sin21]. Google Scholar offers a greater variety of search results, but many publications are working papers or other non-peer-reviewed articles [Adr13].

3.2.2 Identification of search terms

For the identification of search terms, various publications were read in order to get an overview of the most important terms. It was found that inconsistent terms were used in the title, abstract and in the text. Besides the term "law firm", the terms "professional service firm" and "knowledge intensive business services (KIBS)" are also common in the literature. "Service

Firm" was excluded based on the definition given in section 1.1 - the term is simply too broad. The keyword "innovation" was seen as being sufficient to avoid excluding potentially relevant publications from the beginning, and specific enough as the term is well established in the literature.

3.2.3 Definition of inclusion and exclusion criteria

To further specify the search results, inclusion and exclusion criteria were applied. The inclusion criteria were applied from the beginning in the search string, while the exclusion criteria were added in the process of refining the search.

In the end, the following search string was used:

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TITLE-ABS-KEY("innovation" AND ("law firm" OR "professional service firm" OR "knowledge intensive service")) AND (LIMIT-TO (DOCTYPE, "ar")) AND (LIMIT-TO (SUBJAREA, "BUSI")) AND (LIMIT-TO (LANGUAGE, "German") OR LIMIT-TO (LANGUAGE, "English")).
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To ensure the quality of the results, the inclusion criteria "peer-reviewed journal" according to *Webster and Watson* was applied [Web02]. Dissertations, books, book reviews and working papers were excluded. All publications from other disciplines (e.g. medicine) were excluded and the languages were limited to English and German.

3.2.4 Database search

The first keyword search of 10-12 June 2022 resulted in 161 articles. Subsequently, the titles and abstracts were read and publications that did not fit the research context were excluded. Most of the publications related exclusively to the generation of innovations (idea generation, etc.). This reduced the number of publications to 24. Afterwards, the full text of the remaining publications was analysed for possible development of evaluation criteria for project selection.

The final result includes 8 publications, which are presented in *Table 1*. In the table the publications are assigned to the sector in which the research was made and a short summary in the context of the research area of this paper.

Table 1: Results of the literature review

Author (year)	Sector	Summary in the context of this research
<i>Chae (2012)</i>	IT-Consulting	In the paper a typology was developed for service innovations, which includes eight different strategic orientations. These are founded on observations made in the IT-based consulting and services sector. As a conclusion, several implications for future conceptualisation of services were discussed.
<i>Durczak et al. (2022)</i>	Legal	A mixed-methods approach was used to investigate barriers to technological innovation in the legal sector. Conclusions were made about the character of lawyers' individual work and a correlation with law firm performance.
<i>Jensen et al. (2010)</i>	Legal	By means of an empirical analysis of management routines in a law firm, conflicts between the external requirements of clients and the internal use of capabilities within the firm are revealed.
<i>Kronblad (2020)</i>	Legal	A qualitative case study in Sweden shows the impact of digitalisation on common practices in the legal industry. An implication on dominant billing models is highlighted.
<i>Massaro et al. (2020)</i>	Auditing	In the paper the implications were investigated for companies of human sustainability concepts through an empirical study in the context of auditing. The results show that human sustainability has a direct impact on a company's ability to innovate and provides results on how human sustainability can be integrated.
<i>Ryzhkova (2015)</i>	Not defined	In this study customer collaboration was analysed in online mode compared to offline mode in knowledge-intensive service companies. In the study a positive impact was confirmed on innovation performance through digital collaboration with customers.
<i>Tomo et al. (2020)</i>	Auditing	This paper contains an empirical examination of the factors behind the decision to implement technology-based innovations in Italian auditing firms. As a result, implications for knowledge management were identified.
<i>Waye et al. (2018)</i>	Legal	The paper contains an empirical investigation of what challenges Australian law firms see in digitalisation and how they address them. The findings revealed various barriers and solutions in the legal sector.

All in all, there were few articles found about the research area. Just one article was found in which a separate section was dedicated to this area.

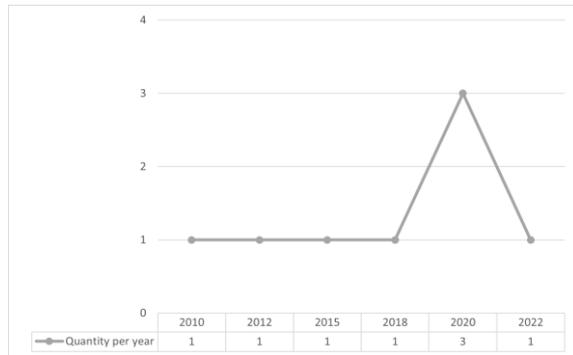


Figure 2: Timeline of publications

An analysis of the timeline of publications is shown in *Figure 2*. This shows that no article on internal technical innovations in the context of professional service firms was published before 2010, from which evaluation criteria could be developed. The results show that most of the papers resulting from the research were published in 2020. The reason for this could be that awareness of digitalisation in the legal industry has only emerged in the last ten years.

4 Research findings and discussion

Based on the content analysis, categories were developed which were assigned to the publications in *Table 2*. These describe the evaluation context for project selection that was developed from the results. Each article was assigned to one or more categories. The categories also form the sections in the next chapter. In the next chapter the development is described of the criteria based on the publication.

Table 2: Developed categories

Author (year)	Category
Chae (2012)	Corporate environment
Durczak et al. (2022)	Acceptance and trust in technology
Jensen et al. (2010)	Knowledge leads to innovation
Kronblad (2020)	Billing models
Massaro et al. (2020)	Human sustainability
Ryzhkova (2015)	Knowledge leads to innovation
Tomo et al. (2020)	Knowledge leads to innovation
Waye et al. (2018)	Human sustainability; Acceptance and trust in technology

4.1 Knowledge Management

Professional service firms usually solve unstructured problems for their clients [Kai11, p. 4; Dur22, p. 60]. Unstructured problems require excellent organisational knowledge that allows the provider to get a competitive advantage with regards to customer and competitor knowledge in the corresponding knowledge area [Nor14, pp. 56f.; Kai11, p. 4]. The value creation of professional service firms is therefore knowledge-intensive, since it is not machines or capital that are needed, but expert knowledge and the experience and problem-solving ability of the employees - thus the value in a professional service firm lies in the knowledge and the employees [Nor14, p. 119; Kai11, p. 4]. Due to this, knowledge and human capital is much more important, if not crucial, for economic success in professional service firms [Nor14, pp. 56f.; Jen10 p. 2046].

4.1.1 Knowledge and human sustainability

By using technologies, it is possible to share knowledge and especially experience obtained from solving past problems within the organisation [Nor14, p. 228]. Corresponding technologies fall under the discipline of knowledge management, which deals with the collection, development, transfer, storage and use of knowledge [cf. Nor14, p. 228].

Human sustainability is a term used in human resource management and includes actions, concepts and strategies that are focused on long-term economic success [Ehn09, p. 2]. These include, for example, the retention of top talent, consideration of demographic developments, employee health, quality of life, and work-life balance [cf. Ehn09, p. 4]. Practices related to human sustainability can help attract new employees with expertise, but also be used to retain them [Nor14, p. 134].

The results of the study by *Massaro et al.* show that younger generations are more attracted to companies where knowledge management practices simplify the learning and skills acquisition process [Mas20, p. 8]. Furthermore, he found that established knowledge management has a positive impact on work-life balance and contributes to human sustainability [Mas20, p. 8].

Waye et al. also found that digital working methods (e.g. workflow management tools) which support

knowledge management enabled flexible working models. These in turn improved the working environment [Way18, p. 18].

The results of *Massaro et al.* and *Waye et al.* led to the conclusion that companies with successful technologically supported knowledge management systems have higher human capital levels than those that do not.

4.1.2 Knowledge leads to innovation

Following *Tomo et al.*, knowledge management systems in professional service firms contribute to the distribution of information, the improvement of professional competence and the capture of knowledge [Tom20]. In his research, he found that the main reason for their implementation in auditing firms is to increase professional competence [Tom20, p. 11].

It is already a known fact that the creative use of knowledge in collaboration with clients or customers will increase the probability of innovation within companies [Car09; Wad13]. *Jensen et al.* have extended this by stating that any creation, embedding and use of new knowledge in the organisation can lead to innovation in professional service firms [Jen10 p. 2047]. *Ryzhkova* also has analysed the impact of using knowledge through online collaboration with customers in relation to innovation [Ryz15]. She concludes that the use of online collaboration methods has a significant impact on the probability of developing new services [Ryz15, p. 338]. As a consequence, this process can lead to a direct competitive advantage, for example through the creation of new services or an improvement in quality [Jen10, p. 2057].

In the context of selecting technology-based innovation projects, it might be useful for professional service firms to consider the technical possibilities of knowledge management as a way of increasing the rate of innovation and competitiveness. Projects should then be checked to see whether they support the existing knowledge management system or whether they conflict with it, for example because a new implementation generates "knowledge silos".

4.2 Corporate environment

In *Chae's* study service innovation was examined in the context of professional service firms [Cha12]. More-

over, a multidimensional model was developed that focuses on the company's environment in addition to its own portfolio [Cha12, p. 820]. In particular, also included were a market or customer perspective and an institutional perspective [Cha12, p. 820]. The objective was to include knowledge about customers, competitors and the market in order to make a targeted selection of technologies and other relevant competences [Cha12, p. 820].

The criteria presented by Chae are consistent with the categories of project evaluation criteria presented in section 2.2.2 and is therefore not sector specific [Cha12]. However, the institutional perspective, which is relevant in the context of German law firms, should also be addressed.

In Germany, lawyers are organised in a Bar Association, which sets central regulations for practising as a legal service provider. At the same time, there are specific legal requirements. These regulations result in requirements for technological processes to support legal advice. For example, communication with courts and other lawyers via a so-called special electronic lawyer's mailbox (beA) is mandatory. In addition, there is the so-called professional confidentiality, which has an impact on the use of cloud technologies.

For the reason considered above, it seems useful for law firms to have evaluation criteria for digitalisation projects that take regulatory requirements into account.

4.3 Acceptance and trust in technology

Acceptance in the sense of innovation management means the willingness to accept something new and is related to compatibility [Mar18]. Compatibility exists when there is a significant usefulness and agreement with existing structures [Mar18].

Gaver already identified in 1991 that the subjective view of the target group on the usefulness of a technology needs to be considered for successful implementation [Gav91].

As already explained in section 4.1, the work of a lawyer usually consists of solving unstructured problems, which often also means that uncertainties exist. *Durczak et al.* found that when faced with uncertainty, lawyers fall back on proven and familiar behaviours to support their thinking and adapt to daily challenges [Dur22, p. 60].

Waye *et al.* surveyed within Australian law firms and found that 12% identified internal resistance within their firm as a very significant or critical barrier to innovation [Way18, p. 20]. Still 28 % considered resistance to be a moderate obstacle [Way18, p. 20].

A further question related to the acceptance of technology is trust in the confidentiality of sensitive information. The responsibility for ensuring the confidentiality of professional information belongs to the lawyers themselves. Durczak *et al.* have found that many lawyers have concerns about whether the client-related information they give to technology providers is really processed confidentially [Dur22, p. 61].

These points lead to the conclusion that there must be a high acceptance of a new technology or that it must be created before it is rolled out. However, acceptance can be formed through good project marketing. In general, as already mentioned in section 4.2, questions of professional confidentiality should be considered when selecting projects. The communication of such an evaluation criterion can already help to create fundamental trust.

4.4 Billing models

Blended rates, fixed fee, capped fee and numerous other fee arrangements exist in law firms. For these hourly billing is the usual basis.

Kronblad shows in her research that this billing practice is in conflict with new technologies [Kro20, p. 521]. This is because when digital technologies are used in law firms to make processes more efficient and reduce time, it means that clients can be charged for fewer hours [Kro20, p 521]. Although it could be argued that this in turn should lead to a competitive advantage and thus generate more clients, this is not necessarily the case. In some cases the quality of legal services for companies assessed based on price.

It must also be seen that not every activity of a lawyer can be charged to the client. This includes administrative work. An optimisation and reduction of these activities will have a positive impact in the traditional billing practice.

Kronblad has also shown that some law firms have already developed new billing models that are value-oriented [Kro20, p. 591].

In conclusion, it can be useful to consider specific billing practices when evaluating and selecting technology-based innovation projects. Of course, this must also be assessed on a mandate-specific basis, for example in the context of mass proceedings.

5 Conclusion

Based on a structured literature review, five sector-specific categories for possible evaluation criteria for project selection could be identified. It was found that particular attention should be given to knowledge management and billing models, as these can also have a negative impact on competitiveness. Acceptance and trust in technology-based innovations ought to be considered in the context of project marketing. The identification of evaluation criteria from the corporate environment should also be considered.

Based on these categories, evaluation criteria for the selection of projects can now be developed. To evaluate the performance of a project against a defined criterion, a performance descriptor (i.e. an ordered set of plausible performance levels) should be defined for each criterion to "measure" the project against that criterion. It may also be helpful to identify reference levels for each criterion to get an indication of a good and a neutral alternative. Finally, the evaluation itself should be defined. On the one hand, it must be defined how the criterion is to be evaluated with regard to the project, i.e. directly (direct evaluation) or indirectly (via value functions), and on the other hand, a weighting must be defined to determine the contribution of the partial values (or scores) in each criterion to the total value.

Although technology-based innovations in the legal sector have become more and more relevant in the last few years, this field has been rarely researched. A research gap was identified with regard to evaluation criteria for project selection in the legal sector. Here, further research is needed, whereby in particular it should be investigated how innovation projects in the legal sector can be evaluated. This should also consider the particular set-ups of the organisations. The traditional partnership structures of law firms could have a significant influence on the evaluation process.

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