Pioneers and Pathfinders: Adrian Parlow

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Steve Poor
Hi. This is Steve Poor, and you're listening to Pioneers and Pathfinders.

Timekeeping and billing have long been pain points for lawyers, but today's guest, Adrian Parlow, is working to change that. As the co-founder and CEO of PointOne, he's leveraging AI to automate time-tracking and bill review, helping law firms capture more revenue while reducing administrative burdens. Adrian's path to legal tech began in startup law. After beginning his career at Fenwick & West, he transitioned to the business side as general counsel at Wefunder, an online crowdfunding platform for startups. That experience sparked his interest in innovation and led him to launch PointOne, where he and his team are helping firms rethink their approach to time keeping and billing in the AI era. Adrian joins us to talk about tackling the challenge of timekeeping, his journey from lawyer to entrepreneur, how PointOne is transforming billing practices, and why legal organizations are re-evaluating their stance on AI and innovation.

Adrian, thanks so much for making the time for us this morning.

Adrian Parlow
Thanks, Steve. It's a pleasure to be here.

Steve Poor
Yeah, it's great. Let's talk a little bit about your company, PointOne. Give us the elevator pitch as to what its mission is and what its service offering is.

Adrian Parlow
Sure, so, PointOne uses AI to automate timekeeping and Bill review for lawyers. So basically, we take all of the things that lawyers hate doing the most and try to use AI to make those things go away. So, we have an application that can track what people are doing across all the different apps that they work in. And then we will use AI to interpret that assign as a client matters, and actually generate time entries that look like something that a human would write from hand. Then those time entries down the line will get populated into a pre Bill partners are then spending hours and hours at the end of the month reviewing these giant stacks of PDFs, and so we will take AI and basically pre review the pre bills for them, mark it up, and sort of attract changes interface and try to catch as many of the problems ahead of time, so that we can cut down on the amount of administrative work that the partners have to do at that stage. So that's the core of what we do today. Over time, we'll be expanding across different elements of the back office of law firms and trying to leverage the time and billing data to actually do a lot of other productive things for law firms. We think that time and billing data is sort of this untapped gold mine that law firms are currently sitting on top of but really not making very much use up because the data is pretty low quality, and so if we can get higher quality coming in through AI timekeeping, then we can probably make much better use of that data different ways in the future.

Steve Poor

No, I agree with that. You've certainly identified a pain point for lawyers that doesn't seem to be that difficult. You talk to a few lawyers, and you ask them, what's the worst thing about their job? They'll tell you Time and Billing. So, I could see how you found that problem timekeeping and billing is incredibly complex. Varies by client, varies by practice, area, varies by location, varies by I could go on and on. So, you've set yourself sort of a big, hairy, audacious goal of using technology to solve this where do you start with a problem that complex?

Adrian Parlow

Yeah, you're totally right. It's extremely hard. I think we were maybe a little bit naive when we started as to how hard this problem was actually going to be. The good news is that large language models have gotten us a pretty good chunk of the way there. And so, one of the reasons why we started working on this, I mean, to your point, it's an obvious pain point. I was the chronically delinquent associate at Fenwick and West, getting chased every month for being, you know, delayed on my time entries. So, I've experienced this problem viscerally. But, you know, other folks have tried to solve this in the past, and I think up until large language models, really, even the most recent generation of large language models, I don't think it was technically possible to solve this problem, at least not on a startup budget. Maybe Google could have done it or Microsoft, if they had cared to try. And so that was kind of the first thing that sort of drove us in this direction. Was, okay, this is an obvious problem. Everyone wants it solved, and we think that it actually can now be solved in a way that it could not have been solved even two or three years ago. And so that was kind of The Spark. In order to actually tackle it. I mean, to your point, you have to narrow down what you're doing and not try to take on everything at once. And so, the first iterations of the product were very narrow. At first, we would try to sort of limit what the product had to do in a number of ways. So, you can, for example, do a timer where the user selects a client matter first, and then we just pick up what's going on. And so, we don't have to try to interpret the client matter. We just have to fix. You're out once they've picked it. What are they doing during the time that the timer is running? And so that's kind of an example of, like a way that you can sort of nerf what it's doing, or sort of constrain the world down to make it more technically feasible in the early days. And this is kind of how the product worked a year, year and a half ago, when we got started on this. There are other ways that you can narrow this down as well. For instance, you can limit to certain data sources, like we're only going to pick up emails, or we're only going to pick up calls or calendar events. And some of the other players in the market have done some version of this as well. But my view, and our team's view is that this will not really be a solved problem until you can do everything, and you can do it fully, passively in the background, and so that's the direction that we're going. And I think we're closer than anybody today to having sort of a human quality of output from the AI timekeeper. It's also why our team is 90% engineering, and we're continuing to hire really, really smart engineers in New York City, because it is quite an audacious challenge.

Steve Poor

So, I get the output part of it, but I'm curious about the input, because even the timer person goes off and makes a phone call, you don't necessarily know who they're talking to or what they're talking about. They go down, down the office and meet with one of their colleagues and talk about sports for 15 minutes. Then they talk about research for 10 minutes, and then they talk about where they're going for

dinner for another 15 minutes. These inputs come from everywhere, and it's an incredibly nuanced problem. Your goal is to capture all of it. I How does that work? How do you how do you get the information?

Adrian Parlow
Yeah, the way that I think about this is a very complex pipeline of going from this chaos of unstructured information from a bunch of different data sources and then basically putting it through sort of a progressive AI pipeline that takes that chaos and gradually results in order, which is time entries coming out the other end. And so, to your point, the input is kind of everything, right? It's Word documents you might be editing. It's the calls that you're taking, it's emails, things on your calendar, it's websites you've gone to, it's other things you might be doing on your desktop, in person, meetings, live meetings, right? And so, we try our best to get as much data as we can from each of these sources, and I think we're about 90% of the way there. There are some things that are just inherently limited, right? If I take a piece of paper and just start reading it without telling my computer, there's no real way to capture that unless I'm, like, wearing a pendant necklace or something, I don't think the lawyers want that. But anything that touches a physical surface or a digital surface, rather, so anything on the computer, anything on the mobile phone, can pretty much get captured, and so that's kind of the first stage in the process. What's hard there, though, is that you end up with many data sources with heterogeneous types of data coming in. So you might have a document which is a big blurb of text, then you might have a structured email, then you might have a call where you just get the start time and end time, or maybe the subject of the call, and then you have to try to put all these data sources into a format that AI model can deal with. And so, there's a lot of processing and sort of multiple steps throughout that process to actually get it from all this kind of unstructured chaos into, you know, a properly formatted time entry that's been chunked accordingly. You know, if you're block billing, all the blocks are in that time entry, it's been correctly assigned to the client matter, and we're actually drafting a narrative that fits your preferences, your voice, and also the firm and client guidelines. And so, all those steps in between are kind of the hard part.

Steve Poor
Yes, I can imagine.

Adrian Parlow
Yeah, exactly.

Steve Poor
So, you said something that causes me to ask the following question. You talked about a pendant most lawyers not wanting to wear it, which I completely understand. Have you encountered any resistance in the market to people who think a program watching their emails and their phone calls and their website searches is too intrusive?

Adrian Parlow
You know, my experience is that 90% of lawyers hate timekeeping much more than they hate the idea of an application tracking them. There will, I'm sure, always be a 10% of lawyers who are like, no, I'm fine with time keeping. I don't have any issues here, and I don't want to be tracked. And for those folks,

it's a very simple solution. You just flip off the AI tracking and you can just use it manually. We also have tried to add a couple of other methods for getting information into the system. So, one thing we learned about a lot of senior partners is that they like to talk to somebody, their assistant. They talk into their Dictaphone, and so we added a voice mode where they can talk to the application. The AI listens to them, and then it spits out time entries, so trying to kind of emulate that workflow that they're used to doing. And so, there's different flavors of this that we sort of tweak and customize to each of the different personas, you know. So, the timers are a good fit for sort of your junior, mid level associate. Associate persona who's probably starting and stopping their timers as they go about their day, and then maybe filling in the narratives after the fact. This is what I did at Fenwick, by the way. Then you have your partner persona who's maybe coming back and reading through their sent inbox in their emails, and looking at what calls they took, maybe for the prior week or the prior couple of days. We have a mode that works retroactively, that can kind of comb through your emails and calendar to pull things out. And so, we try to match that to that persona. And so, the goal here really is to make lawyers have to change their practices as little as possible. Because one of the lessons that we learned early on is trying to show up at a law firm and tell lawyers they need to do things a different way, especially something that carries as much muscle memory as timekeeping, where you're really not even thinking about it, it's just ingrained after years. The most effective thing is to try to get as close to the existing thing as possible, but kind of take some of the pain away.

Steve Poor
Let's talk about the billing side of this, because you're not just talking about time entry. You're also talking about applying automation and AI to the billing cycle. For example, one of the pain points in the cycle is making sure that the bill you're sending is in compliance with particular billing guidelines for the client. If I understand it correctly, that's part of your solution.

Adrian Parlow
It is, it is, you know, when we first started, we were just doing time keeping because, to your point, it was this very obvious problem. We thought we had a good fix for it, and so that was kind of the focus. But the more that we started to have conversations with folks in law firms, especially bigger law firms that have this kind of large billing apparatus, we started to see all these other problems that were popping up throughout the process, and a lot of them that could be tracked back to the time entry stage, and so compliance with billing rules was one of these major problems that you know we see firms trying to solve internally in different ways. So I don't know how familiar your audience is with outside counsel guidelines, but basically, a lot of large firms will have to deal with hundreds of sets of divergent guidelines from their large clients, and each of those guidelines could be very specific, like you can't use these words, or certain people can't bill on these types of matters. Or if I see two people on a call, only one of them can bill for it. There could be hundreds of different things here, and so then trying to enforce those against the bills becomes an absolute nightmare. How most firms are tackling this today is they tell the attorneys what the rules are. Of course, those just go in one ear and out the other ear. There's no way for an attorney to remember that with everything else they have going on. And so, then they have multiple steps of checks before the bill goes out to the client, so the partner will review the pre bill, try to catch any problems at that stage, and also problems beyond outside counsel guidelines, like people just will bill two hours and say attention to case file. I was shocked when I

started doing this, that people were actually doing that kind of thing, but it's much more common than I expected. Maybe you probably won't be surprised from having seen a lot of bills.

Steve Poor
No, it's not surprising to me.

Adrian Parlow
Yeah, so there's a lot of that going on and then, and then there's the outside counsel guideline compliance as well. But then inevitably, things get missed, and so they get sent to the client, the client then will reject them. By the way, the clients are now using AI software to review the bills that they're receiving, catch any problems with their outside counsel guidelines, and then reject the bills, because if they can reject them, they have to pay them later, or maybe not at all. And then the law firms, in response to that, are hiring a bunch of people to work in the back office, in their billing teams to try to review these things. And so, in a sense, law firms are kind of fighting AI with humans, which is just a losing battle. And so, our thought here was, let's try to take AI, have it look for a lot of the same things that we will automatically look for at the time entry stage. So make sure that the narratives are detailed and high quality, make sure that they comply with all the guidelines right out of the box, and catch a lot of these other issues that we're talking about, so that by the time it actually goes out to the client, it's clean and it's not going to get rejected.

Steve Poor
You're describing a long and complex process from the time somebody's performed work to the time it's billed and collected. You could have, I suppose, picked a subset of that to focus on, yet you're looking at it as an integrated process solution is what I'm hearing. Why that choice?

Adrian Parlow
Well, maybe it's just the way that we think about company building. But our approach is not to show up with a solution and say, here's the solution that you need. Our approach is to identify the problems and then figure out what solutions we need to build to address those problems. And so, the problems were much more sort of pernicious than something that could just be addressed at one stage, right? So, if we say billing rejections are the problem here, well we can try to take a pass at that at the time entry stage. And there's, there's a lot that we can do that right, if we're generating much better time. Entries, we're going to get about 70 or 80% of the way there, but you really can't solve the rest of that problem without tackling the other points in the pipeline that are kind of leading to that. And by the way, we noticed a lot of other problems coming out of the existing process, like the data quality that we talked about right law firms, big law firms, are generating tens of millions of time entries per year. And in theory, those time entries should be this sort of rich source of business intelligence that let the firm kind of understand what's going on with their people every day, not on an individualized basis, but sort of in an aggregate way. Who's spending time, where on what tasks? How are we doing from a profitability standpoint, it should be able to be used that way. But what we found was that it was really getting heavily underutilized. And so this was kind of another one of those problems where it's like, we can do a pretty good job at solving some of this at the time entry stage, but unless you actually sort of help the firms use it and enable that down the line, then you're not really fully solving the problem.

Steve Poor

Fascinating. That's fascinating. So, you're one of three co founders. How did you meet your other two? How did, how did the three of you get together?

Adrian Parlow

Well, as the only non engineer on our team, I figured I needed some powerful brains to help me actually build this stuff. And so, yeah, it was an introduction through a mutual friend. My two co founders, Kate and Jeremy, were already working together. They were kind of exploring some other ideas in legal tech, but hadn't quite narrowed in on the specific concept. I had this concept, but knew that I didn't have the chops myself to build it. And so, we got introduced, and just kind of started building, or, you know, experimenting with some stuff. Right after we got introduced, we applied to Y Combinator, the startup accelerator, and we actually got in like, a week later. We thought we would have, you know, two months to kind of work things out before we heard back, but it was like five days later they said, Okay, your interview is on Monday, and we got in right after that. And so then at that point, it was kind of like pedal to the metal, we decided to go forward with it.

Steve Poor

Oh, that's awesome. That's awesome. Tell us a little bit about your journey to startup entrepreneur. You go to law school. You're working for Fenwick & West, few stops in between. Tell us about how you decided to go into the world of startups.

Adrian Parlow

Yeah, I'm Canadian. Originally. I grew up in Vancouver, but decided to come down to the states for law school. Really, about halfway through undergrad, I was doing an Economics and Psychology undergrad, and kind of realized that startups were the most exciting thing going on in the world, and so I figured I'll try to get involved in that in some capacity. But had been kind of trending down the law route. My dad's a practicing attorney in Vancouver, and I really find it's kind of a good fit the sort of analytical side of the of the profession was very appealing to me, still is very appealing to me. And so I kind of figured, okay, I'll blend the two. Let's put the startups together with the law, and I'll go be a startup attorney. And so that's why I decided to come down to the US. Is Silicon Valley was just kind of this big, shiny object that I was attracted to. And so, I ended up going to the University of Pennsylvania for law school, but then came out to the Bay Area immediately afterwards, and worked at Fenwick and West and really had a fantastic experience there. As far as the practice of law, I mean, I got to do some pretty high-end work. Did all of the late-stage financing work for Robin Hood, helped Amazon buy a driverless car company, helped stripe by a payments company, and so from a transactional practice, got pretty good exposure there. And really have nothing but good things to say about the folks at Fenwick, but pretty quickly, kind of had this feeling that I wasn't actually doing the thing. I was kind of on the sidelines, sort of helping the thing to happen. And so, I had this like drive to be sort of more in the in the seat itself, rather than in this kind of like facilitator role. So around that time, I had a friend from high school who was working at a Series A Fintech startup who needed a lawyer. They were eight years into the company, and had never hired a lawyer before in that regulated space. So...

Steve Poor

Oh, that's, that's, that's an interesting business choice.

Adrian Parlow

Exactly. And so, you can imagine me as a junior lawyer. I mean, I kind of knew, I kind of knew what I was getting myself into, but I thought, whatever, this will be an adventure. We'll see how it goes. And so, an adventure it was. So, I spent about a year and a half or two years there as the General Counsel, and kind of guided them through a series of up levels. When I joined the company, it was about 20 people. Six months later, it was 100 people. And so, the kind of, there was this immediate hyper scale, but the hyper scale also attracted the regulators. And so, then I spent about the next year and a half mired in FINRA and SEC investigations. Meanwhile, then the business kind of took a nosedive around the time in 2021 where crypto started to go down, so alternative investment category, and so that also took a nosedive. And so, it was quite the roller coaster over. The years that I was there, eventually we brought in another guy from Cooley with sort of a regulatory background to run that side of the house, and I spent another year and a half building out a couple of new product lines for them and basically getting my hands dirty in some other parts of the business. But I mean, I think that the Cambrian moment happened right ChatGPT and actually GT four and Claude two for me, were the bigger eye opener. I think ChatGPT was kind of fun. It was kind of a toy, but GT four and Claude two were really like, Okay, this is getting useful fast. And so, at the time, I was actually working on a product where we were setting up venture funds, like a fund in a box, kind of product. And so, I would take, I was working with these 100-page limited partnership agreements, and I started taking these LPAs and just chucking them into Claude and saying, explain the defined terms to me. Or how do the economics work in this relationship, or who are the parties? And it could actually do a better job of explaining that to me than the lawyers that I was paying $1,000 an hour to explain this to me. And so that for me, was kind of the moment where I was like, Okay, wow, this is really going to change the industry. And then it was really just a process of figuring out, okay, how do I get involved in this? I kind of knew I had to do something, but it took me about another six months to kind of narrow in on the ultimate thing that we started building. The first concept was very much what I had been doing at Fenwick, which was, let's see if we can automate VC contracting, NVCA document something in that realm, but pretty quickly realized that one that was a very crowded space. You know, there's hundreds of other companies trying to do that. And second, most of the lawyers didn't actually want that to be automated. And I guess maybe to a fault. I think we've decided to kind of follow what the customers are asking for. And at the time, the customers were saying, Look, this is it probably could be more efficient to draft these contracts, but this is the best part of my job. This is where I get to add value as a lawyer like I don't why would I want this to be automated? Why don't you automate the things that I hate doing instead of the things that I love doing? So that's kind of how we shifted gears and ended up going down the path that we did.

Steve Poor

You mentioned it before, but the change process, particularly in the legal profession, is quite challenging, isn't it?

Adrian Parlow

This has been one of the one of the learnings along the road is how difficult change management really is, and especially in big law firms.

Steve Poor

as you've gotten into working with law firms, whether it's selling your product or installing your product, how has AI impacted the way they define innovation, the way they define change management, and what distinguishes firms in your mind from those that are good prospects who are leading the way versus lagging behind?

Adrian Parlow

You know, I never thought that things would move as quickly as they have been moving, but just in the last, say, 12 to 18 months, I've seen a pretty incredible shift in the attitude of law firms. So, when we started trying to sell PointOne, a lot of what we were hearing back from law firms is we can't use AI at all. We're not putting anything into open AI. You know, this violates client confidentiality or whatever. And probably the first six months of trying to sell to law firms, that was the pushback we were getting is like, look, this is too early. We're not doing AI. That has completely shifted on its head. Every firm is actively trying to do AI. Now, the real question that they're asking is like, how do we do this? Where do we do it? How can we do it in a way that makes sense. How can we manage the resources and the change management? So, it's shifted much more from like an IF to a how. The other thing that we've seen is just the explosion of law firm innovation departments, and so the entire industry is shifting, I think, really, at a rate that has probably not been seen before in the industry. I'm probably too young to have seen prior cycles, but everyone I talked to who's been kind of around for decades here has said, look, it's never moved as quickly before. You asked, how do we define a good prospect versus not a good prospect? For us, it's really about who's thinking a couple steps down the line. There's a lot of firms right now who are just kind of focused on exploration mode. Let's figure out what AI is. Let's try to identify some good use cases. And I think, you know, we're happy to talk to those firms, but those aren't the firms that are actively coming to us. The ones that are actively coming to us are the ones who are saying, we fully believe that AI is going to turn the practice of law on its head, and we need to figure out how to navigate that shift, how to get ahead of that shift. And so, one of the main things, kind of counterintuitively, that has been driving a lot of firms to us is thinking about the shift away from the billable hour to more of a fixed fee, or sort of a mix of billable hours, fixed fees, other kinds of AFAs. Because what a lot of these firms are realizing is when we take AI and apply it all across the practice, which is basically this iterative thing that will happen over the next five years, increasingly different areas of the practice are going to need to get moved to alternative fee models in order to retain profitability. Big firms really don't have the muscle for doing things on fixed fees, and really this seems to be kind of an unsolved problem in the industry right now, which is, how do we figure out how to profit? Things effectively, how do we not bid too high and lose the deal, but not bid too low and lose money? And there's kind of this barrier right now around that. So, both on the data side, which is what we're trying to do with the timekeeper, and then on the tooling side, which will be a major focus for us in the future. And so, a lot of the firms that are coming to us are saying, Look, we need to get ahead of the curve here and figure out, how do our businesses adjust in the era of AI, and so those are the kind of folks that are banging on our door right now.

Steve Poor

You hit an interesting point. It's going to be fascinating to watch the evolution of billing structures, pricing structures in a world of AI, in a world of allegedly increased efficiency, where do billing rates go? Where do pricing structures go?

Adrian Parlow

I'd be fascinated to hear your take on this, Steve, given how long you've kind of been watching this industry.

Steve Poor

Well, I think that anybody who thinks there's going to be a rapid I've been hearing the billing power is dead for 40 years, and it's still alive and kicking, and anybody who thinks it's going away in the near future is, I think, misapprehending the nature of the profession. And I also think that it's even more difficult at this moment in time to price fixed fee cases, both for the buyer and for the seller, because the question becomes, what's the impact of AI on the production of work? A lot of alternative fee structures are based upon existing cost structures and then a profit margin added on top of it. So, if I'm a buyer, why am I agreeing to a fixed fee price based on what I believe to be an antiquated cost structure? If I'm a seller, what risk Am I running by pricing on what I think is going to be a more efficient cost structure? But I don't really know at the same time, I think billable hour rates are going to go up, because A, they always do, but B, if you think about it, if you're peeling away from a production standpoint, work that is low end work, and leaving the high end work, that's where the value capture is for the lawyers, and so they should be able to capture higher rates for that work, even If there's less of it.

Adrian Parlow

I wrote a LinkedIn post, I think a month or two back, making the same exact point that you just made, which is, when all of the document distribution and due diligence and all the kind of low end stuff kind of gets subsumed by AI, what will be left is the high value client, advisory, strategic thinking, which is inherently worth more to the client. And so, I can certainly see that being true. I think it's one of the counterintuitive things. There's a couple of counterintuitive dynamics at play here. The other one, I think is really interesting, is Jevons paradox, and the total amount of legal services that will be demanded in the future. You have people on both sides of these arguments. Some people are saying demand for legal services is going to crash and the cost is going to crash. You have other people saying the cost is going to go up and the demand is going to go up. And so, it's really a fascinating time to be here and kind of see this stuff playing out in real time.

Steve Poor

It is. And of course, the analogy I always hear is the introduction of the ATM machines and the belief that that was going to decimate a whole component of banking workforces, which, of course, has not happened. They're just doing different things. And I think there's enough complex work, there's enough challenging work. We live in a world that's moving faster and faster, and regulations can't keep up, and business can't keep up. And you need, you need really smart, capable lawyers. The question for me is, how do you train entry level or less senior lawyers to perform at that higher level in a world of AI?

Adrian Parlow

Every conference I go to, for the you know, every conference I've been at for the last year, I've been asking that same exact question, and nobody really has an answer for me. And I'm waiting.

Steve Poor

I was going to say I thought you were going to give me the answer.

Adrian Parlow

I wish I could. I'm waiting for someone to give me the answer. I mean, I have some ideas, but I think the core message that I've gotten is that it will be fundamentally different than how the system has been, because you can't train lawyers on the low end stuff if the low end stuff doesn't exist or if clients are not willing to pay for it. And the entire law firm model is predicated upon clients paying for training and development of young associates as they do the thing and get better at the thing and gradually progress to hire and hire work. So, I think it's going to take a completely new approach. I think law schools have a part to play in this, as far as teaching more practical skills, and I think that law firms are going to have to develop new models for what happens with junior associates. But I think this is a dynamic that's going to play out across almost every industry already in software engineering, I spend a lot of my time trying to recruit and hire really smart software engineers, and you're already seeing a decrease in value of junior software engineers because of how good the coding co pilots have gotten, and more of the value or. Sure, the focus for hiring has shifted to the mid level and senior engineers. And I would not be surprised to see the same thing happening in legal services. But obviously there's sort of entire programs and structures that are built around taking Junior associates who are coming out of law school and kind of feeding them up the ranks of law firms. So how that entire structure evolves, I think, is very much an open question.

Steve Poor

It's an open question. It's going to be fascinating to watch the evolution of it. Well, you guys are doing some really interesting stuff. Congratulations. You're well funded. You're biting off a big challenge, but it sounds like you're making some great progress. So, congratulations and thanks for joining us today, Adrian.

Adrian Parlow

Thanks so much, Steve. It was great to be here.

Steve Poor

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