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SUPPORTING RURAL ENTREPRENEURSHIP WITH
LEGAL TECHNOLOGY

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A major challenge for entrepreneurial new ventures in rural areas is a lack of access to high-quality legal resources. This is especially true when comparing the legal resources available to rural new ventures with the legal resources consumed by new ventures in traditional entrepreneurial ecosystems (e.g., Silicon Valley). One potential solution to this problem lies in emerging technology tools, which have shown promise with respect to making top-notch legal services available to any new venture. These technology tools provide entrepreneurs access to legal solutions like document generators and comprehensive legal platforms. Once accessed, the entrepreneurs can execute these legal solutions on their own, without an attorney's assistance. Additionally, these technology tools can be paired with limited, strategic use of counsel when the entrepreneur has questions requiring an attorney's input. More importantly, opportunities exist to better tailor these technology tools to the needs of entrepreneurs in rural areas. Specifically, key players within the entrepreneurial ecosystem in rural areas (e.g., attorneys, accelerator programs, universities, and economic development organizations) have an opportunity to work together to create legal technology tools tailored to the needs of local new ventures. This article proposes a legal services delivery system to be implemented within rural entrepreneurial ecosystems that will benefit both new ventures and practicing attorneys. This delivery system relies heavily on legal technology tools to deliver high-quality legal services using automation. This automation allows for law firms to earn revenue without spending precious hours of their time. It also allows for entrepreneurs to take care of legal tasks like entity formation, corporate governance, and raising capital in a cost-effective way that utilizes well-established best practices.

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INTRODUCTION

In the United States, entrepreneurial activity has been historically centered in a few key metropolitan areas (e.g., Silicon Valley, New York City, Boston, etc.)—the “Traditional Ecosys-

tems.” For years, these Traditional Ecosystems have been destinations for entrepreneurs from all over the world who want access to: (1) the deepest pools of talent; (2) the wealthiest and most well-connected investors; and (3) top-notch advisors and service providers (including startup attorneys). Many entrepreneurs view these resources as key requirements for success. For these entrepreneurs, starting their new venture in one of these Traditional Ecosystems has been an obvious choice.

However, entrepreneurial activity in non-traditional cities and rural areas is equally important with respect to building sustainable local economies across the United States. While entrepreneurial activity in select non-traditional cities is growing for many reasons,¹ major obstacles still exist in rural areas (the “Rural Ecosystems”) that often stifle economic growth in these regions.² For example, entrepreneurs in Rural Ecosys-

1. See generally Ross Kimbarovsky, *15 Best Cities in the United States for Startups and Entrepreneurs (Updated for 2020)*, CROWDSPRING (Feb. 6, 2020), <https://www.crowdspring.com/blog/startups-entrepreneurs-best-startup-cities-us/> (contemplating fifteen desirable ecosystems outside of Silicon Valley and the east coast for entrepreneurs to launch their new venture). Often, emerging entrepreneurial ecosystems are cited as having an existing, high-quality talent pool developed at local, leading universities. However, these ecosystems are less likely than Traditional Ecosystems to attract necessary talent from other regions. Additionally, these Non-Traditional Ecosystems tend to have an emerging pool of investor funds, and a lower cost of living than the Traditional Ecosystems, which is beneficial.

2. See Nikki Foster, *Entrepreneurship in Rural Communities: An Emerging Strategy Presents Opportunities and Challenges*, FEDERAL RESERVE BANK OF MINNEAPOLIS (Nov. 1, 2001), <https://www.minneapolisfed.org/article/2001/entrepreneurship-in-rural-communities-an-emerging-strategy-presents-opportunities-and-challenges#f2> (quoting research by the Kauffman Center for Entrepreneurial Leadership, and stating, “[o]ne of the Kauffman Center’s most important findings is that entrepreneurship cannot succeed without community support. While it is true that entrepreneurship fundamentally relies on individuals to be creative and take risks, community support is a cornerstone for success. According to Smilor, there are four factors in the entrepreneurial process. At each step of the way, communities can contribute something to help create a supportive culture. The factors identified by Smilor are: *Talent*, which belongs to individuals who “recognize market opportunities and then create organizations to take advantage of these opportunities”; *opportunity*, defined as the ability to fill a need in the community; *capital*, the financial resources to fill such a need; and *know-how*, or the opportunity to network in order to gain expertise and technical knowledge”). In most cases, these cornerstones of community support are lacking in Rural Ecosystems when compared to their Traditional Ecosystem counterparts.

tems must work harder than entrepreneurs in Traditional Ecosystems to secure valuable resources like skilled labor and funding because those resources are less prevalent in Rural Ecosystems.³ Additionally, entrepreneurs in Rural Ecosystems have less access to top-notch advisors and service providers (like startup attorneys) when compared to their counterparts in Traditional Ecosystems.⁴ These hurdles can make it difficult for new ventures in Rural Ecosystems to launch successfully, let alone sustain themselves in the long run.

Another challenge for new ventures in Rural Ecosystems is a lack of access to high-quality *legal* resources consumed by new ventures in Traditional Ecosystems. This is due to: (1) geographic location, given that Rural Ecosystems typically do not have a significant number of experienced startup attorneys; and (2) the high cost of expert legal services, which are often unaffordable for new ventures in Rural Ecosystems. This lack of access to high-quality legal services leaves new ventures in Rural Ecosystems more exposed to potential legal issues related to entity formation, capitalization, intellectual property, human resources, and raising money. When left unaddressed, these legal to-do items can cause serious future issues for a new venture.

One potential solution to this problem lies in emerging technology tools (the “Technology Tools”), which have shown promise with respect to making top-notch legal services available to any new venture, regardless of geographic location or funding level.⁵ The Technology Tools provide access to legal

The report cites these obstacles for Rural Ecosystems, which directly relate to the four factors above: (1) cultures that do not support entrepreneurship; (2) a significant distance to markets and services; (3) gaps in capital availability; (4) lack of demand to support service providers; and (5) absence of other entrepreneurs and industry clusters.

3. *Id.*

4. See Garret James Black & Bryan Hanson, *2018 Annual Global League Tables*, PITCHBOOK (2019), <https://pitchbook.com/news/reports/2018-annual-global-league-tables> (last visited Aug. 21, 2019) (showing the top law firms globally for venture capital deals. These law firms, as a whole, are concentrated in major metropolitan cities. Further, these firms concentrate their startup practices namely in the Traditional Ecosystems).

5. As an example, experienced startup attorneys from reputable law firms using the Shoobx platform offer a year of startup legal services (using the Shoobx workflows) for as little as \$2,500. See SHOOBX SPARK, <https://spark.shoobx.com/> (last visited Sept. 20, 2019).

solutions that can be executed by an entrepreneur without an attorney's assistance. These Technology Tools are high-quality too—as they have been developed by experienced attorneys and use the same best practices as top-tier startup law firms. Further, these Technology Tools can be paired with limited, strategic use of counsel to benefit entrepreneurs looking to achieve a good legal outcome on a budget.

Additionally, new opportunities exist in this arena to better tailor the Technology Tools to the needs of entrepreneurs in Rural Ecosystems. Specifically, key players in Rural Ecosystems—including new ventures, attorneys, accelerators, universities, co-working spaces, and economic development organizations—have an opportunity to work together to create Technology Tools tailored to the needs of local new ventures. In doing so, both high-growth and lifestyle ventures in these Rural Ecosystems can level the playing field with new ventures in Traditional Ecosystems with respect to the legal work product they consume. This would be a major step in making Rural Ecosystems a more attractive home for new entrepreneurial ventures.

This article first aims, in Part I, to survey the current landscape of Rural Ecosystems. Part II reviews a set of high-quality Technology Tools currently available to new ventures, to aid those companies in their consumption of legal services. This discussion will also consider how attorneys can use existing Technology Tools to benefit their practice, and their new venture clients. Part III discusses how new ventures can use a combination of the Technology Tools and legal counsel to complete all legal work related to their business (1) using well-established best practices; and (2) on a cost-effective basis. Part III also contemplates how entrepreneurs in Rural Ecosystems derive less of a benefit from these existing Technology Tools than their counterparts in Traditional Ecosystems. Lastly, Part IV discusses how Rural Ecosystems can use these Technology Tools, and encourage the creation of new Technology Tools, to provide an optimal impact to their entrepreneurs. This discussion contemplates the specialized needs of new ventures in Rural Ecosystems and, also, the role of the local supporting cast (e.g., accelerators, incubators, universities, and government organizations) that many of these Rural Ecosystems utilize to support new ventures.

I.

ENTREPRENEURSHIP IN RURAL ECOSYSTEMS

Rural Ecosystems have a different set of strengths and weaknesses compared to Traditional Ecosystems with respect to helping new ventures launch and grow. There is significant value in taking a deeper look at this observation because it can help us to understand how best to support entrepreneurial ecosystems of all kinds, in all locations. This part seeks to understand the existing barriers to building a Rural Ecosystem. It also aims to identify strengths of successful Rural Ecosystems, which can be leveraged to build a sustainable ecosystem. Lastly, this part identifies the *typical* support system that exists for new ventures located in Rural Ecosystems and concludes with some thoughts on how Rural Ecosystems can best build a legal services system that better supports new ventures.

A. *Existing Barriers to Building a Rural Ecosystem*

The most significant challenge facing rural entrepreneurship is the shrinking number of new ventures in Rural Ecosystems. In fact, the percentage of United States new ventures located in rural areas has shrunk significantly—from 20% in the 1980s to about 12% today.⁶ Adding to those losses, technology-related jobs are currently condensed in a handful of Traditional Ecosystems, in part, because of this shift in the geographic location of new ventures. Recent research by the Brookings Institute shows that nine out of every ten technology-related jobs created in the United States from 2005 through 2017 was located in one of five Traditional Ecosystems.⁷ Due to this “winner-take-most” race between ecosys-

6. Chris Farrell & Next Avenue, *Rural Entrepreneurs are Finding Success Away From Big Cities*, FORBES (Feb. 14, 2020, 2:39 PM), <https://www.forbes.com/sites/nextavenue/2020/02/14/rural-entrepreneurs-are-finding-success-away-from-big-cities/#5535298f56a1>.

7. See Eduardo Porter, *A Few Cities Have Cornered Innovation Jobs. Can That Be Changed?*, THE NEW YORK TIMES (Dec. 9, 2019), <https://www.nytimes.com/2019/12/09/business/economy/innovation-jobs-cities.html?smid=nytcore-ios-share> (“Boston, Seattle, San Diego, San Francisco and Silicon Valley captured nine out of 10 jobs created in these industries from 2005 to 2017, according to a report released on Monday. By 2017, these five metropolitan regions had accumulated almost a quarter of these jobs, up from under 18 percent a dozen years earlier. On the other end, about half of America’s 382 metro areas — including big cities like Los Angeles, Chicago

tems, some experts have proposed a “federal effort to transform a short list of ‘heartland’ metro areas into self-sustaining ‘growth centers’ that will benefit entire regions.”⁸ While an effort like this would be helpful with respect to creating a longer, more diverse list of Traditional Ecosystems, it would likely do very little to impact Rural Ecosystems in a meaningful way.

Rural Ecosystems can also face other challenges that make it difficult to thrive. Another major obstacle is the lack of a fast internet connection in many rural areas.⁹ This obstacle is more or less insurmountable because most new ventures rely on technology to some extent. Thus, if your area does not have readily accessible high-speed internet, you cannot expect to have a meaningful Rural Ecosystem. Other key challenges for Rural Ecosystems are more closely related to launching and operating a successful business. For example, one often-cited struggle for rural entrepreneurs is the task of finding talented co-founders or team members to join them on their company’s journey. In fact, rural entrepreneurs often state that they have trouble finding job candidates with the right experience, skills, or training in addition to experiencing difficulties retaining those types of employees once they are able to hire them.¹⁰ Further, Rural Ecosystems suffer from a lack of invest-

and Philadelphia — lost such jobs.”) citing Robert D. Atkinson, Mark Muro, & Jacob Whiton, *The Case for Growth Centers: How to Spread Tech Innovation Across America*, THE BROOKINGS INST. (Dec. 9, 2019), <https://www.brookings.edu/research/growth-centers-how-to-spread-tech-innovation-across-america/>.

8. Atkinson, Muro & Whiton, *supra* note 7.

9. See Jennifer Levitz & Valerie Bauerlein, *Rural America Is Stranded in the Dial-Up Age*, WALL ST. J. (Jun. 15, 2017), <https://www.wsj.com/articles/rural-america-is-stranded-in-the-dial-up-age-1497535841> (“About 39% of the U.S. rural population, or 23 million people, lack access to broadband internet service—defined as ‘fast’ by the Federal Communications Commission—compared with 4% of the urban residents.”).

10. See Bridget Weston, *Opportunities and Obstacles for Rural Entrepreneurs*, SCORE (Aug. 1, 2019), <https://www.score.org/blog/opportunities-and-obstacles-rural-entrepreneurs> (“Rural entrepreneurs say they encounter a number of barriers when attempting to find qualified employees: 39 percent say they couldn’t find candidates with the right kind of experience[;] 37 percent said their communities lacked an adequate talent pool[;] 35 percent said they had difficulty finding candidates with the right education, skills or training[; and] 23 percent said it was tough to find people willing to relocate[.] When it comes to *retaining* qualified employees, rural business owners must

ment capital flowing from investors to new ventures located within the ecosystem.¹¹ This can cause rural entrepreneurs to use a substantial portion of their life savings to launch a business, or abandon the idea altogether due to lack of startup capital. Lastly, Rural Ecosystems often lack a robust support system of resources and service providers to help entrepreneurs accomplish key tasks.¹² One such resource that is often missing in these Rural Ecosystems is access to high-quality legal counsel. This will be a key topic for the remainder of this article.

B. *How to Leverage Strengths to Build a Better Rural Ecosystem*

Despite the issues highlighted in the section above, things are not all bad for Rural Ecosystems. In fact, the blueprint for success in building and maintaining a high-quality Rural Ecosystem has never been as well-crafted as it is today. One common belief is that the path to creating wealth and retaining talent in rural areas is through entrepreneurship,¹³ which lends credibility to any area's decision to direct money and other resources to fostering entrepreneurial activity. Thus, it is often a good choice for rural areas to foster entrepreneurial

overcome obstacles there, as well: 61 percent said their employees found other jobs with more opportunities for advancement[,] 56 percent said they were unable to pay employees well enough to keep them[,] 52 percent said their employees relocated to urban areas[, and] 50 percent said their employees left due to a lack of time invested for professional development or training[.]”).

11. See Foster, *supra* note 2 (“Most of the capital available for small businesses and entrepreneurs is located in metropolitan areas. Not only are [rural] entrepreneurs geographically distant from sources of capital, but the distance to market and services may make investing in their ideas seem unattractive to outside investors.”).

12. See *id.* (“Rural communities are isolated geographically from hubs that harbor large populations and provide services necessary to run a successful business.”).

13. See, e.g., *id.* (“Entrepreneurship is an attractive community and economic development tool for a host of reasons. According to Jay Kayne, vice president of community and policy for the Kauffman Center [for Entrepreneurial Leadership], the most important reason is that entrepreneurship creates wealth, not just wages. The wealth created by entrepreneurs stays in the community through reinvestment. Kayne argues that this is different from job creation, which brings wages to rural communities but does not necessarily keep corporate wealth within the boundaries of those communities.”).

activity within their ecosystem, rather than “smokestack chasing”—directing ecosystem resources in an attempt to attract a large employer to their area through financial incentives.¹⁴ While smokestack chasing usually leads to job creation, it often lacks the ability to help a rural area create wealth (since most of the wealth created simply transfers to the company’s existing headquarters, which is often in another geographic location). Alternatively, successful entrepreneurial activity in a Rural Ecosystem can lead to job creation, wealth creation, and the retention of educated and skilled workers. For these reasons, activities that benefit Rural Ecosystems tend to be supported at a local level.

Given that many important players in rural economic development believe in the power of entrepreneurship, the key question now becomes: how do rural areas create a successful Rural Ecosystem? One common strategy is to enact new policies at the state or local level to attract entrepreneurial activity to the Rural Ecosystem. However, this strategy is often ineffective—as previous scholarship demonstrates that policy programs often fail at pushing new ventures to launch.¹⁵ Instead, others argue that the focus should be placed on developing and retaining human capital, namely, encouraging the growth of an ecosystem consisting of people who are skilled and are equipped with an entrepreneurial mindset.¹⁶ This idea is the key to establishing a true Rural Ecosystem since a rural area needs a critical mass of skilled and motivated entrepreneurs in order to build a thriving Rural Ecosystem. Given this need, rural areas with universities have a significant advantage over other rural areas, as long as they can retain educated and motivated students post-graduation. Alternatively, rural areas that

14. See Neil A. Belson, *Promoting Rural Entrepreneurship and Rural Economic Development*, THIRD WAY (Jan. 7, 2020), <https://www.thirdway.org/report/promoting-rural-entrepreneurship-and-rural-economic-development> (defining the term “smokestack chasing”).

15. See, e.g., Matthew D. Kaufman, *If You Build It, Will They Come?: A Critical Look at the Policy Approach to Encouraging Entrepreneurship in Wyoming*, 13 WYO. L. REV. 615, 616, 625 (2013) (citing generally Richard C. Schragger, *Rethinking the Theory and Practice of Local Economic Development*, 77 U. CHI. L. REV. 311 (2010)).

16. See, e.g., *id.* at 616 (citing generally Norman D. Bishara, *Covenants Not to Compete in a Knowledge Economy: Balancing Innovation from Employee Mobility Against Legal Protection for Human Capital Investment*, 27 BERKELEY J. EMP. & LAB. L. 287, 297–99 (2006)).

are popular destinations for retired professionals with the skills and motivation to launch a new venture are also good candidates to build viable Rural Ecosystems.¹⁷ However, the source of the human capital does not matter as long as a critical mass of it exists in the area.

A second step in creating successful Rural Ecosystems is to promote the formation and growth of “clusters” of entrepreneurs and new ventures. Clustering is defined as a “concentration[] of interconnected companies, specialized suppliers, service providers, training institutions, and support organizations formed around a technology or end product within one area or region.”¹⁸ Given the concept of clusters, it is better for a Rural Ecosystem to have many highly trained and motivated entrepreneurs *in a specific industry*, rather than a set of entrepreneurs with diffuse and unrelated skills sets. This is because entrepreneurs within a given cluster can support one another, work together, and ultimately create an industry within the ecosystem. Given the potential importance of clusters, a Rural Ecosystem is wise to invest in resources that help entrepreneurs within a cluster flourish, whether those be resources that benefit any entrepreneur (e.g., networking opportunities, business plan resources, legal resources) or resources that specifically benefit entrepreneurs in the cluster (e.g., lab space and equipment for entrepreneurs in hard science disciplines). Thus, one good strategy for developing a Rural Ecosystem could focus its efforts on building support for any clusters that exist (or may develop in the future), in an effort to create opportunities for high-growth ventures within the Rural Ecosystem.

Lastly, Rural Ecosystems must realize that not all entrepreneurs pursue high-growth venture opportunities. Of course, we know that Traditional Ecosystems are famous for their high-growth ventures that capture venture capital investment, millions of customers, and the attention of many (the “High-Growth Ventures”). However, many Rural Ecosystems mainly consist of a core group of lifestyle ventures—companies that grow slowly and create a living for the entrepreneur and a

17. See generally Farrell & Next Avenue, *supra* note 6.

18. Daniel Isenberg, *How to Start an Entrepreneurial Revolution*, HARV. BUS. REV. (June 2010), <https://hbr.org/2010/06/the-big-idea-how-to-start-an-entrepreneurial-revolution>.

handful of employees (the “Lifestyle Ventures”).¹⁹ This is important because scholars have identified that emerging ecosystems often encounter unnecessary difficulties when attempting to emulate places like Silicon Valley, ignoring the local conditions of their existing ecosystem.²⁰ Conversely, new ecosystems thrive when they rely on local strengths to shape their vision of the future.²¹ In many cases, Rural Ecosystems will benefit from realizing that Lifestyle Ventures are a meaningful and important part of their ecosystem. This should cause Rural Ecosystems to build the ecosystem’s resources to account for that fact, instead of trying to mimic the strategy of a Traditional Ecosystem with significantly different conditions.

C. *Existing Resources (Including Legal Resources) in Rural Ecosystems*

Rural Ecosystems do have a laundry list of resources available for entrepreneurs although they often vary in quantity and quality when compared to the resources available in Traditional Ecosystems. For example, entrepreneurs in Silicon Valley have local access to elite accelerator programs,²² a host of experienced and well-connected investors,²³ multiple revered research universities,²⁴ a wealth of skilled professionals

19. See, e.g., Farrell & Next Avenue, *supra* note 6 (providing many examples of Lifestyle Ventures in Rural Ecosystems).

20. See generally Isenberg, *supra* note 18.

21. *Id.* (“The striking dissimilarities of Rwanda, Chile, Israel, and Iceland illustrate the principle that leaders can and must foster homegrown solutions—ones based on the realities of their own circumstances, be they natural resources, geographic location, or culture. Rwanda’s government took a strongly interventionist strategy in the postgenocide years, identifying three local industries (coffee, tea, and tourism) that had proven potential for development. It actively organized the institutions that would support those industries by, for example, training farmers to grow and package coffee to international standards and connecting them to overseas distribution channels. Rwanda’s immediate priority was to provide gainful employment to millions of people. Its efforts led to about 72,000 new ventures, almost entirely consisting of two- and three-person operations, which in a decade tripled exports and reduced poverty by 25%.”).

22. See, e.g., *About Y Combinator*, Y COMBINATOR (April 2020), <https://www.ycombinator.com/about/>.

23. See, e.g., *Silicon Valley Angel Investors*, ANGEL LIST, <https://angel.co/silicon-valley/investors> (last visited June 9, 2020).

24. See *2020 Best National University Rankings*, U.S. NEWS & WORLD REP., <https://www.usnews.com/best-colleges/rankings/national-universities> (last

and service providers,²⁵ and the same government resources that exist in Rural Ecosystems.²⁶

Alternatively, Rural Ecosystems often rely heavily on government resources like the Small Business Administration's Small Business Development Centers²⁷ (there are nearly 1,000²⁸ across the United States in various geographic areas). These Small Business Development Centers primarily provide face-to-face business consulting and access to relevant training for local entrepreneurs.²⁹ Additionally, some Rural Ecosystems are fortunate to have some of the following resources: a university, a small number of local angel investors, a small amount of incubator space, and/or some relevant skilled professionals and service providers. However, many Rural Ecosystems do not have all of those resources and are likely have a reduced-scale version of other resources when compared to Traditional Ecosystems. This comparative lack of resources limits a Rural Ecosystem's ability to impact a large number of new ventures. Thus, it is important that Rural Ecosystems learn to leverage the resources they do have in the most impactful ways in order to maximize their ability to help entrepreneurs in their area.

Of course, the focus of this article is on improving access to high-quality legal services for entrepreneurs in Rural Ecosystems. Thus, the focus of this section will now shift to the significant differences between Traditional Ecosystems and all other ecosystems with respect to the availability of high-quality legal services for new ventures. To start, I will compare the availability of experienced legal counsel to entrepreneurs located in different types of ecosystems. Fortunately, the online research resource Pitchbook³⁰ has extensive data on legal service prov-

visited June 9, 2020) (ranking Stanford University (sixth) and the University of California at Berkeley (twenty-second) as top national universities).

25. See, e.g., Porter, *supra* note 7.

26. See, e.g., Silicon Valley SBDC, AM.'s SMALL BUS. DEV. CTR.: CAL., <https://www.svsbdc.org/> (last visited June 9, 2020).

27. Homepage, AM.'s SMALL BUS. DEV. CTR., <https://americassbdc.org/> (last visited June 9, 2020).

28. *Id.*

29. See *id.*

30. See generally *About Pitchbook*, PITCHBOOK, <https://pitchbook.com/about> (last visited June 9, 2020) ("PitchBook tracks every aspect of the public and private equity markets, including venture capital, private equity and M&A."); *Pitchbook Platform Named Best Financial & Market Data Solution by SIIA for Eighth Consecutive Year*, PR NEWswire: CISION (June 14, 2019, 9:00 AM),

iders and the volume of sophisticated work they do for new ventures. Given that Pitchbook's database measures "deal frequency" for law firms representing new ventures, we can use that data to evaluate law firms based on their level of experience in representing new ventures. Additionally, Pitchbook allows us to sort that data by the geographic location of the law firm, permitting us to evaluate where experienced attorneys are available to new ventures. This is incredibly helpful as the data clearly allows us to observe that entrepreneurs in Traditional Ecosystems have abundant nearby access to sophisticated legal counsel while entrepreneurs in Rural Ecosystems typically do not.

As an example, I will compare the number of new venture deals³¹ serviced by law firms with at least one location in the state of Michigan (which has existing ecosystems in Ann Arbor, Detroit, and Grand Rapids) to the number of new venture deals serviced by law firms with at least one location in California (which has Traditional Ecosystems in Silicon Valley, San Francisco, and Los Angeles). In Michigan, 16 law firms have serviced ten or more deals between January 1, 2017 and June 6, 2020.³² In California, there are 164 law firms that meet the same standard, including 29 that have serviced more deals than any law firm in Michigan during the same time period.³³ Based on this data, new ventures in Michigan clearly have less access to experienced startup attorneys. This trend persists when comparing states with no Traditional Ecosystems to states with at least one traditional ecosystem.

<https://www.prnewswire.com/news-releases/pitchbook-platform-named-best-financial-market-data-solution-by-siia-for-eighth-consecutive-year-300867755.html>.

31. I should note that the deals contemplated by Pitchbook's data are typically deals made by High-Growth Ventures. Thus, this analysis of the availability of experienced counsel to new ventures largely focuses on High-Growth Ventures.

32. Service Provider Search Results, PITCHBOOK (Nov. 20, 2020) (on file with author) (search run for "Law Firm" under "Service Provider Types" category, for "Michigan" and "California" in "Service Provider Locations" category—with "Any Office Location" radio button selected—and with the "Deal Dates" field having a custom range from Jan. 1, 2017 through June 6, 2020) [hereinafter PitchBook Search Results].

33. *Id.* This comparison removes law firms Gunderson Dettmer and Jones Day from the results, as they have offices in both Michigan and California.

Digging deeper into our example, it does not appear that many law firms representing new ventures in the deals counted by PitchBook are located in Rural Ecosystems. For example, out of the 16 law firms in Michigan completing at least ten deals between January 1, 2017 and June 6, 2020, all of them are headquartered in either: (1) the Detroit metro area; (2) Grand Rapids, or (3) another major U.S. city outside of Michigan. Additionally, it is notable that only two of the 16 firms listed have an office in what one might consider to be a “rural” area.³⁴ This data implies a lack of experienced local counsel for new ventures in Rural Ecosystems. The full data set can be found in Table 1, below.

34. See *Offices: Cheboygan*, BODMAN PLC, <http://www.bodmanlaw.com/offices/cheboygan> (last visited June 9, 2020); *Offices*, DINSMORE & SHOHL LLP, <https://www.dinsmore.com/offices/> (last visited June 9, 2020) (showing various offices in rural areas).

TABLE 1 – LAW FIRMS WITH A LOCATION IN MICHIGAN WITH SIGNIFICANT RECENT EXPERIENCE REPRESENTING HIGH-GROWTH VENTURES³⁵

<u>Firm Name</u>	<u>Firm Headquarters Location</u>	<u>Deals Serviced from Jan. 1, 2017 through June 6, 2020</u>
Gunderson Dettmer	Redwood City, CA	2357
Jones Day	Cleveland, OH	424
Honigman	Detroit, MI	202
Foley & Lardner	Milwaukee, WI	116
Pepper Hamilton	Philadelphia, PA	93
Warner Norcross & Judd	Grand Rapids, MI	26
Barnes & Thornburg	Indianapolis, IN	21
Howard & Howard	Royal Oak, MI	21
Dickinson Wright	Detroit, MI	20
Varnum	Grand Rapids, MI	18
Frost Brown Todd	Cincinnati, OH	17
McDonald Hopkins	Cleveland, OH	17
Dykema Gossett	Detroit, MI	15
Dinsmore & Shohl	Cincinnati, OH	13
Bodman	Detroit, MI	12
Whiteford, Taylor & Preston	Baltimore, MD	12

This comparison has important implications for new ventures outside of Traditional Ecosystems. For starters, it appears clear that the bulk of experienced attorneys for new ventures reside in Traditional Ecosystems. This makes sense, as private practice attorneys are running a business, and would need to have enough volume of work to sustain a specific type of practice. However, this finding impacts new ventures outside of Traditional Ecosystems in a major way, since those new ventures have significantly less local access to these sophisticated and experienced service providers. Using Michigan as an example, it appears reasonably safe to assume that new ventures

35. PitchBook Search Results, *supra* note 32.

located in the Detroit metro area (including Ann Arbor) or Grand Rapids will have access to experienced attorneys, although they will be choosing from a set of attorneys that are: (1) less experienced than those in Traditional Ecosystems; and (2) still among the state's most expensive firms. However, when we shift our focus to Michigan's other areas (including many "rural" areas), we can quickly see that there are very few local service providers appearing in our data set. Insofar as an entrepreneur wants to hire an attorney experienced in representing High-Growth Ventures, they will need to look to the state's larger markets, or to a Traditional Ecosystem, since experienced legal counsel for High-Growth Ventures is unlikely to be available in their area. Thus, proximity and cost obstacles likely exist for new ventures in Rural Ecosystems seeking this type of representation. Without a coordinated effort by a Rural Ecosystem's key players to solve this problem, it will go unaddressed.

For Rural Ecosystem entrepreneurs in need of legal advice for their Lifestyle Venture, the challenge is slightly different. Here, the entrepreneur is more likely to choose a local service provider to represent their new venture, given that experience in representing High-Growth Ventures is not necessarily important to their goal of receiving high-quality legal services. However, the entrepreneur still may have difficulty determining which local attorneys have experience working with small businesses, and which attorneys are exaggerating their experience in order to capture a new client.³⁶ Unfortunately, this is a common issue for Lifestyle Ventures in Rural Ecosystems, and making a mistake here can cost a Lifestyle Venture dearly.³⁷ However, the key players of Rural Ecosystems (e.g., accelerators, incubators, university programs, and/or economic development programs) can solve this problem by serv-

36. See generally Wendy Davis, *No Country for Rural Lawyers: Small-Town Attorneys Still Find It Hard to Thrive*, AM. BAR ASS'N: A.B.A. J. (Feb. 1, 2020, 12:00 AM), <https://www.abajournal.com/magazine/article/no-country-for-rural-lawyers> (stating that many rural attorneys struggle to sustain a viable business and that those attorneys must take any type of legal work available to piece together a viable business model). This struggle often does not bode well for the attorney's clients, who may end up being the attorney's first experience on a particular type of matter.

37. Of course, no new venture wants to incur legal fees for legal work that is subpar, or even counterproductive to the venture's goals.

ing as the identifier and endorser of high-quality legal services for Lifestyle Ventures. By doing the investigative work on behalf of new ventures within their Rural Ecosystem, these support organizations can give Lifestyle Ventures a better opportunity to choose high-quality legal counsel while avoiding service providers who do not specialize in helping small businesses.

Given these conclusions, the remainder of this article aims to develop a plan for Rural Ecosystems to provide access to high-quality legal services for all entrepreneurs. The proposed solution involves leveraging existing Technology Tools and creating new Technology Tools to provide many legal “products” for entrepreneurs that: (1) use established best practices; and (2) cost less than comparable legal services. Ultimately, the goal of this article is to provide a roadmap for leveraging the existing support organizations available in a Rural Ecosystem (like government programs, universities, accelerators, and incubators) to improve the legal outcomes of the new ventures they serve.

II.

TECHNOLOGY TOOLS BUILT TO PROVIDE NEW VENTURES WITH LEGAL SERVICES

Current Technology Tools exist to help new ventures complete most legal tasks: (1) efficiently; (2) using best practices set by top-tier startup law firms or lawyers; and (3) in a cost-effective manner.³⁸ These Technology Tools range from simple document generators hosted by top law firms (e.g., Cooley GO and Founders’ Workbench by Goodwin Procter LLP)³⁹ to full platforms meant to help new ventures form an entity, manage their capitalization table, and complete other key legal tasks related to human resources and intellectual

38. See Bernice Grant, Praveen Kosuri & Jeff Thomas, *Democratizing Entrepreneurship: Online Documents, Tools, and Startup Know-How*, 26 J. AFFORDABLE HOUSING & COMMUNITY DEV. L. 193–94, 205, 210 (2017).

39. See COOLEY GO, <https://www.cooleygo.com/> (last visited Sept. 20, 2019); FOUNDERS WORKBENCH, <https://www.foundersworkbench.com/> (last visited Sept. 20, 2019).

property (e.g., Shoobx, Carta, and Gust)⁴⁰ Section II.A introduces these Technology Tools in detail.

Additionally, startup attorneys are beginning to see the value in implementing these resources into their practices, which provides those attorneys with the ability to provide top-notch legal assistance to new ventures in a fraction of the time (and at a fraction of the typical cost).⁴¹ Section II.B contemplates the impact of current and future Technology Tools on the delivery of legal services to new ventures. This section will also shift the focus back to Rural Ecosystems at times to discuss the relevance of these findings in that setting.

A. Current Technology Tools

One could argue that launching a new venture has never been less expensive, in large part due to the recent, rapid development of digital tools used by new ventures. New, inexpensive tools exist for web design, messaging, communications, marketing, and other key business functions that allow new ventures to perform key tasks at a fraction of the prior cost. This rapid innovation has begun to impact the legal services arena too. Technology Tools in the legal space range from document generators to full platforms meant to help new ventures form an entity and complete other key legal tasks. Section II.A discusses these Technology Tools in detail.

One area in which legal service providers, including highly respected law firms, have contributed to the breadth of Technology Tools available to new ventures is in the document generation category. Top law firms including: (1) Cooley LLP;⁴² (2) Wilson Sonsini Goodrich & Rosati;⁴³ (3) Goodwin Procter LLP;⁴⁴ (4) Orrick Herrington & Sutcliffe LLP;⁴⁵ (5)

40. See SHOOBX, <https://www.shoobx.com/> (last visited Sept. 20, 2019); CARTA, <https://carta.com/> (last visited Sept. 20, 2019); GUST, <https://gust.com/> (last visited Sept. 20, 2019).

41. See, e.g., SHOOBX SPARK, *supra* note 5.

42. *Index of Cooley GO Docs Document Generators*, COOLEY GO, <https://www.cooleygo.com/documents/index-document-generators/> (last visited Nov. 21, 2019).

43. *Emerging Companies*, WILSON SONSINI, <https://www.wsgr.com/en/services/practice-areas/corporate/emerging-companies.html> (last visited Nov. 21, 2019).

44. FOUNDERS WORKBENCH, *supra* note 39.

45. *Startup Forms Library*, ORRICK, <https://www.orrick.com/Total-Access/Tool-Kit/Start-Up-Forms> (last visited Nov. 21, 2019).

Wilmer Cutler Pickering Hale and Dorr LLP;⁴⁶ and (6) Latham & Watkins LLP⁴⁷ have all launched websites with dedicated resources to new ventures, including document generators that allow new ventures to create customized and sophisticated form documents for a variety of scenarios.⁴⁸ These document generators allow new ventures to create documents that: (1) form entities;⁴⁹ (2) hire employees, advisors, or consultants;⁵⁰ (3) protect intellectual property;⁵¹ (4) create terms of service and a privacy policy for company websites;⁵² and (5)

46. *Document Generator*, WILMERHALE LAUNCH, <https://launch.wilmerhale.com/build/document-generator/> (last visited Nov. 21, 2019).

47. *Resources*, LATHAMDRIVE, <https://www.lathamdrive.com/resources> (last visited Nov. 21, 2019).

48. For an easy-to-use list of resources discussed in this paragraph see CRAZYBRAINS, *Formation and Financing Resources*, <https://teachvlgcom.files.wordpress.com/2019/03/resources-to-form-finance-new-ventures-03.20.19.pdf> (last visited Nov. 21, 2019).

49. *See, e.g., Incorporation Package (Delaware)*, COOLEY GO, <https://www.cooleygo.com/documents/incorporation-package/> (last visited Nov. 21, 2019) (providing for the ability to generate incorporation documents for a Delaware corporation or a Delaware Public Benefit Corporation); *see also Formation Tools*, FOUNDERS WORKBENCH, <https://www.foundersworkbench.com/document-driver/> (last visited Nov. 21, 2019) (providing for the ability to generate formation documents for a Delaware corporation, a Delaware multi-member limited liability company, or a Delaware single-member limited liability company).

50. *See, e.g., Form of Employee Offer Letter*, COOLEY GO, <https://www.cooleygo.com/documents/form-employee-offer-letter/> (last visited Nov. 13, 2020) (providing for the ability to generate an employee offer letter with terms relevant to California employers and employees); *see also Document Generator*, WILMERHALE LAUNCH, *supra* note 46 (providing for the ability to generate a consulting agreement).

51. *See, e.g., Startup Forms: Technology Related*, ORRICK, <https://www.orrick.com/en/Total-Access/Tool-Kit/Start-Up-Forms/Technology-Related> (last visited Nov. 21, 2019) (providing for the ability to generate a Confidential Information and Invention Assignment Agreement for Employees, a Confidential Information and Invention Assignment Agreement for Consultants, and a Mutual Nondisclosure Agreement); *Documents and Templates*, LATHAMDRIVE, <https://www.lathamdrive.com/resources/documents> (last visited Nov. 21, 2019) (providing for the ability to generate a Founder Proprietary Information and Invention Assignment Agreement).

52. *See, e.g., Website Terms of Use*, COOLEY GO, <https://www.cooleygo.com/documents/terms-use/> (last visited Nov. 21, 2019) (providing for the ability to generate a Terms of Use policy for a startup's website); *see also Privacy Policy*, COOLEY GO, <https://www.cooleygo.com/documents/privacy-policy/> (last visited Nov. 21, 2019) (providing for the ability to generate a Privacy Policy for a startup's website).

provide for various types of investments, including convertible notes and Simple Agreements for Future Equity (SAFEs).⁵³ While these document generators do not allow new ventures to tackle all legal tasks, they do provide valuable resources for many common legal tasks. Additionally, these resources were developed by some of the top law firms in the world with respect to new ventures and their legal issues, which can reassure entrepreneurs that the documents generated are leveraging well established best practices.⁵⁴

The document generator category has a separate market segment for practicing attorneys too. These Technology Tools allow an attorney to program a document they regularly draft into the document generator, along with questions for the client to answer. Once the client has provided the information to answer each question, law firm staff can run the document generator workflow with the client's information to create a custom legal document. This process benefits both attorneys and clients, as it: (1) creates a cost savings for the client; and (2) allows the attorney to increase his or her efficiency in drafting that particular document. Examples of this software include HotDocs and Contract Express.⁵⁵ These Technology Tools provide attorneys with the opportunity to mimic document generators like Cooley GO and fully automate the process of providing these documents to clients. In doing so, attorneys could provide a less expensive alternative to clients without sacrificing much (if anything) with respect to quality.

Another segment of the Technology Tools are comprehensive platforms ("Platforms") that allow new ventures to ac-

53. See, e.g., COOLEY GO, *supra* note 39 (providing for the ability to generate a Convertible Note Term Sheet, a Series Seed Convertible Note Financing Package, a Series Seed Equity Financing Package, a 500 Startups Keep It Simple Security (KISS), and a Y Combinator Simple Agreement for Future Equity (SAFE)).

54. As an example, the documents referenced *supra* note 53 (such as a KISS and a SAFE) are documents created by highly respected startup accelerators and endorsed by some of the most active startup law firms in the world. These documents were created (in part) because convertible notes did not have optimal terms for many startups and investors. The accelerators and law firms mentioned above saw this, and acted to create a new set of "best practices" based on their extensive experience.

55. HOTDOCS, <https://www.hotdocs.com/> (last visited June 10, 2020); *Contract Express*, THOMSON REUTERS, <https://legal.thomsonreuters.com/en/products/contract-express> (last visited June 10, 2020).

compish multiple legal tasks in one place. In this article, I define a Platform as a Technology Tool intended to help new ventures form an entity, manage their capitalization table, or complete other key legal tasks related to human resources and intellectual property. Various Platforms exist to help new ventures complete routine legal tasks, each with their own emphasis on specific service offerings for new ventures. There are three main players in this space: Carta,⁵⁶ Gust,⁵⁷ and Shoobx.⁵⁸ Additionally, Clerky⁵⁹ has some similarities to both document generator sites and Platforms and is discussed at the end of this section.

Carta focuses on equity management and Internal Revenue Code Section 409A valuations⁶⁰ (“409A Valuations.”) Thus, the Carta Platform allows new ventures to build a capitalization table, perform 409A Valuations, issue electronic securities to stockholders, and create the related board consents for these transactions.⁶¹ Carta also markets these services to law firms as Carta’s tools could provide similar time and money saving benefits to law firms performing these tasks on behalf of a client.⁶² Overall, Carta has over 15,000 companies on its Platform using these services.⁶³

Alternatively, Gust has a more comprehensive but less targeted Platform for new ventures. First, Gust offers services targeted toward new ventures at their incorporation and post-incorporation stages. A new venture can form a Delaware cor-

56. CARTA, *supra* note 40.

57. GUST, *supra* note 40.

58. SHOOBX, *supra* note 40.

59. CLERKY, <https://www.clerky.com/> (last visited Apr. 24, 2020).

60. See Andy Przystanski, *What is a 409A Valuation?*, CARTA (Oct. 22, 2019), <https://carta.com/blog/what-is-a-409a-valuation/> (“A 409A is an independent appraisal of the fair market value (FMV) of a private company’s common stock, or the stock reserved for founders and employees. This valuation determines the cost to purchase a share. . . Long story short: You can’t offer equity without knowing how much a share is worth. So if you want to offer equity, you’ll need a 409A valuation. We’ll help you understand the basics of the 409A so you can choose a valuation provider with confidence.”).

61. *Carta for Private Companies*, CARTA, <https://carta.com/private-companies/> (last visited Nov. 21, 2019).

62. *Law Firm Partner Program*, CARTA, <https://carta.com/partners/law-partners/> (last visited Nov. 21, 2019).

63. *About Carta*, CARTA <https://carta.com/about/> (last visited Apr. 27, 2020).

poration, adopt bylaws, send and sign contracts like nondisclosure agreements, establish its board of directors, and create a capitalization table on the Gust Platform.⁶⁴ Second, the Gust Platform provides resources such as: (1) online data rooms for due diligence; (2) insights on valuations and seeking investment capital; (3) data on potential investors; and (4) the ability to “apply” for funding through the Gust Platform.⁶⁵ Lastly, the Gust Platform provides services to new venture accelerators too, helping them to manage their application process.⁶⁶ To date, over 850,000 new ventures have used Gust’s funding Platform to seek investment.⁶⁷

Shoobx aims to be the most comprehensive platform of the above-mentioned group, offering the following services: (1) the ability to incorporate in Delaware and generate the same key documents as offered by Gust; (2) similar equity management and 409A Valuation tools to the offering provided by Carta; (3) human resource management tools like the ability to generate I-9s, W-4s, and offer letters, the ability to manage payroll, and the ability to create organizational charts; (4) a virtual data room to store all legal documents generated through the Platform, including board consents and stockholder documents; (5) the ability to complete a Series A financing on the Shoobx Platform; and (6) the ability for a new venture to notify its attorney that documents generated using the Shoobx Platform need review.⁶⁸ Shoobx also has a site dedicated to helping new ventures who use Shoobx find attorneys who are knowledgeable on legal issues impacting new ventures and know how to use the Shoobx Platform.⁶⁹ These attorneys typically offer discounted legal service packages to

64. *Start a Company*, GUST, <https://gust.com/founders/start> (last visited Nov. 21, 2019).

65. *Raise Capital*, GUST, <https://gust.com/founders/raise> (last visited Nov. 21, 2019); see also *Grow Your Startup*, GUST, <https://gust.com/founders/grow> (last visited Nov. 21, 2019).

66. *Accelerating, Simplified*, GUST, <https://gust.com/accelerators> (last visited Nov. 21, 2019).

67. *About Us*, GUST, <https://gust.com/about> (last visited Apr. 27, 2020).

68. *See Features*, SHOOBX, <https://www.shoobx.com/product/> (last visited Nov. 13, 2020).

69. *See Legal Services on Shoobx*, SHOOBX, <https://www.shoobx.com/legal-services-shoobx/> (last visited Nov. 21, 2019).

new ventures for legal work provided through Shoobx’s “workflows.”⁷⁰

Lastly, Clerky⁷¹ sells legal documents as products that can be purchased by new ventures to complete a legal task (with or without attorney assistance).⁷² Thus, Clerky’s offering falls somewhere in between the Platform and document generator categories. Clerky’s products cover many of the same legal tasks performed by law firm document generators, like entity formation, fundraising, and hiring.⁷³ New ventures may purchase a lifetime subscription and receive unlimited Clerky products, or they may purchase products one-by-one, as needed.⁷⁴ Attorneys may use the Clerky software too, allowing them to place safeguards on the document workflows. The attorney may also require his or her approval of any changes made to the documents by the client and review of any documents created by the client.⁷⁵

B. *Startup Attorneys and Their Usage of the Technology Tools*

Despite the significant potential impact of the Technology Tools discussed above, the legal services industry is one of the least receptive industries to innovation and new technologies.⁷⁶ A big reason for this lies in law firm economics: law firms make money from billing their time,⁷⁷ and technological advances make legal work more efficient (to the detriment of the law firm’s bottom line).⁷⁸ However, clients are business-

70. See *Connecting Entrepreneurs with Modern Service Providers*, SHOOBX SPARK, <https://spark.shoobx.com/#lawyers> (last visited Nov. 21, 2019).

71. CLERKY, *supra* note 59.

72. See *Pricing*, CLERKY, <https://www.clerky.com/pricing> (last visited Apr. 27, 2020).

73. *Id.*

74. *Id.*

75. *Attorney Accounts*, CLERKY, <https://www.clerky.com/attorneys> (last visited Apr. 27, 2020).

76. See Julia Greenberg, *Tech Will Force Lawyers to Do More for Those Billable Hours*, WIRED (Feb. 8, 2016, 10:00 AM), https://www.wired.com/2016/02/lawyers-fear-that-tech-will-make-their-jobs-too-easy/?mbid=social_twitter.

77. *Billable Hours: Understanding How Law Firms Bill*, Smokeball (Dec. 18, 2018), <https://www.smokeball.com/blog/billable-hours-understanding-how-law-firms-bill/> (“Billable hours are the lawyer hours that clients pay for directly . . . Time spent on tasks directly related to a client’s case can be billed for the most part to the client. These are the hours that law firms want to maximize so that they can run a profitable business.”)

78. See *id.*

savvy too and realize the positive impact Technology Tools could have on the quality of the legal services (and the size of the bill) they receive.⁷⁹ Thus, disruption of the legal services industry is inevitable,⁸⁰ and lawyers should look to make innovations to their business model proactively.

One group of potential early adopters with respect to technological advances in the law should be startup attorneys, given the Technology Tools discussed in Section II.A. Of course, this is not a novel idea: some startup attorneys have already seen the value in implementing these Technology Tools into their practices.⁸¹ These early adopters likely realize that the Technology Tools provide the potential for any startup attorney to revamp their business model by providing top-notch legal assistance to new ventures in a fraction of the time typically spent on a given task and at a fraction of the typical cost to the client.

This is a powerful realization. Attorneys can use resources like the Technology Tools from Section II.A to provide benefits to themselves (through reduced workloads and the ability to serve more clients) and to their clients⁸² (through smaller bills, higher quality legal work, and the ability to accomplish a greater number of legal tasks). This modernizes the law firm's business model as well as its value proposition to the client. For the law firm, it is now scaling its operations through selling a product, the new venture's requested legal document, which can be generated electronically by a computer program that

79. See generally Jane Croft, *Law Firms' Love Affair with the Billable Hour is Fading*, FIN. TIMES (Oct. 22, 2019), <https://www.ft.com/content/bac826c4-d611-11e9-8d46-8def889b4137>.

80. See generally DELOITTE LLP, *OBJECTIONS OVERRULED: THE CASE FOR DISRUPTIVE TECHNOLOGY IN THE LEGAL PROFESSION* (2017).

81. See, e.g. SHOOBX SPARK, *supra* note 70 (providing a list of attorneys who use the Shoobx Technology Tool in their practice and provide legal service packages to clients using the Shoobx platform).

82. See *Why Attorneys Need to Keep up with Legal Tech Advances*, THOMSON REUTERS (Feb. 25, 2020), <https://legal.thomsonreuters.com/blog/why-attorneys-need-to-keep-up-with-legal-tech-advances/> ("The need to adopt tech early comes not only because of the general benefits of having the right tech, but because clients expect it. In fact, they're demanding it. A 2018 Altman Weil survey found that 58% of chief legal officers cite greater cost reduction as their top service wish for the outside counsel they hire. The implication is clear: Law firms need to provide a high level of service at a lower cost.").

asks a few simple questions to the client (the “Product”).⁸³ When purchasing a Product, the client may never interact with an attorney to obtain this solution to its legal problem because none of the attorney’s time is *necessary* to complete the task.⁸⁴ Further, the Product can be sold to the client at a much lower cost than comparable services using the attorney’s typical business model of drafting a document and billing by the hour.⁸⁵

Additionally, an attorney who is an early adopter of the Technology Tools may continue to provide a service to the client (in addition to the Product offering). For example, when confusing or important legal issues are contained within a Product, a client may request the attorney’s input via a brief phone call or video conference.⁸⁶ This method of working with an attorney will consume much less of the attorney’s time (and continue to provide legal services to the client at a fraction of the typical cost). Assuming the attorney uses Technology Tools like those referenced in Section II.A or has developed their own proprietary Products using their own legal ex-

83. I derive the term “Product” from the sources listed in this footnote. See Gabriel H. Teninbaum, *Productizing the Law: A Guide for Converting Legal Services into Legal Products* (April 15, 2020) (unpublished manuscript); see also William D. Henderson, *A Blueprint for Change*, 40 PEPP. L. REV. 461, 479 (2013) (“Things are getting tougher for law schools because we train our graduates for the legal services market. Yet, the legal services market is gradually being upended by new entrants who are offering legal inputs and *legal products* [emphasis added] to law firms, legal departments, and average citizens.”). It should also be noted that the term “Product” differs from the term “Technology Tool” in this article. A Product is a type of Technology Tool that is sold to an end-user by a legal service provider to provide that end user with a solution to their legal problem. Generally, Products involve little to no human time in delivering such a solution to the consumer.

84. See Teninbaum, *supra* note 83, at 6 (discussing an attorney who has implemented such a system into his legal practice).

85. See SHOBOX SPARK, *supra* note 70, (“Modern lawyers leverage the technology available through platforms like Priori (project management tools, online phone conferencing, full-service invoicing software) and other software tools (contract review software, due diligence software, messaging and video platforms) to streamline their delivery of legal services and to make their legal practices more efficient. Those efficiencies, in turn, allow lawyers to spend less time on administrative tasks and more time focused on their clients and delivering quality billable work. Technology platforms like Priori also reduce the overheads associated with running a legal practice, which allows lawyers to pass on their cost savings to their clients in the form of lower rates.”).

86. Cf. Teninbaum, *supra* note 83, at 84.

pertise and document generator software like HotDocs or Contract Express,⁸⁷ clients get the same high-quality legal services through the Products in a much easier (and much less expensive) manner.

In the sections that follow, I will contemplate two key changes to the law firm's business model driven by its use of the Technology Tools. These changes are important because they will create mutual benefits for the attorney and the client. First, startup attorneys and law firms can use the Technology Tools to increase their efficiency in an effort to streamline the law firm's expenses and to reallocate the attorney's time to more sophisticated tasks. This change has the potential to significantly reduce the firm's expenses incurred while providing its Products and its services while simultaneously opening up the attorney's time (the other thing he or she sells) for more sophisticated, high-rate work. Secondly, startup attorneys and law firms can use the Technology Tools to increase their scale. We will measure scale by discussing the firm's: (1) number of clients served; (2) output of services; and (3) revenue. These concepts have important implications on our broader discussion: access to high-quality legal services for new ventures in Rural Ecosystems.

1. *Increasing an Attorney's Efficiency through the use of Technology Tools*

Startup attorneys and their law firms can use the Technology Tools to increase their efficiency, creating far-reaching effects for both the law firms and their clients. First, this increase in efficiency could have a significant positive impact on the affordability of basic legal services (delivered through the Products), which would provide a benefit to new ventures (especially those in Rural Ecosystems). Further, increased attorney efficiency would cause law firm business models to undergo a dramatic change. Law firms would now be able to build a business with fewer expenses due to a decreased reliance on entry-level attorneys and paralegals to complete tasks.

87. Document generator software is readily marketed to law firms and becoming increasingly common. Two popular versions of this software are HotDocs and Contract Express. See HOTDOCS, *supra* note 55; see also THOMSON REUTERS, *supra* note 55. In fact, the Cooley GO platform is powered by Contract Express as of this writing.

Attorneys would also be able to open up more of their time (the other item they sell to clients) to complete more sophisticated tasks related to client strategy. On the consumer side, new venture clients (including those in Rural Ecosystems) could stretch their legal budget further by using less expensive Products to take care of some legal tasks. This would allow those same new venture clients to benefit from sophisticated, strategic legal advice with the remainder of their legal budget. Lastly, law firms could use the new-found attorney time they have created to perform the law firm's business-facing tasks like finding and pitching new clients. This could be a significant advantage for a law firm as it gives the early adopters of the Technology Tools more time and energy to spend on marketing their Products and services to new venture clients. This section contemplates the impact of each of these items on the attorney/client relationship.

First, the cost of basic legal services for new ventures will decrease significantly when Products are generated through Technology Tools. This is because much less attorney time is required to generate a Product when an automated document workflow can ask the client relevant questions.⁸⁸ Thus, new venture clients who previously were limited with respect to the number of legal projects they could tackle may now complete many relevant legal projects at a low cost using legal Products. This revolutionary set of innovations will make a positive impact on cash-strapped new ventures in Rural Ecosystems, allowing for the ventures to take care of legal issues that previously would have been ignored due to cost (to the organization's potential peril).⁸⁹ For attorneys, the investment in

88. For example, consider the Cooley GO Incorporation Package (Delaware). With this Technology Tool, an automated program asks the user questions to uncover key items like the Company's full legal name or whether the Company will be classified as a Subchapter C or a Subchapter S Corporation for federal tax purposes. The software also provides links to resources that allow the user to make a more informed decision in answering the software's questions. Most sophisticated users can generate an incorporation package using the tool with no attorney assistance. However, other users can limit the number of questions they ultimately bring to an attorney, reducing the cost of the legal services. See COOLEY GO, *supra* note 49 (click "Click here" on the top of the page to access the Cooley GO Docs Incorporation Package Generator).

89. While no statistics exist for companies with little funding, individuals with low incomes often do not seek attorney assistance with legal questions.

existing Technology Tools (or the creation of new Products using an existing Technology Tool) could pay huge dividends. Attorneys could sell these Products (or similarly, the outputs of the Technology Tools) with minimal attorney time spent drafting the document—allowing them to make money without spending precious hours of their time.⁹⁰ This creates a new revenue stream for the attorney. Additionally, the attorney still has his or her time (i.e., the firm’s inventory) to sell to higher paying clients who need sophisticated legal advice.

Next, law firms would benefit from using Technology Tools on the expense side of their business model. In drafting legal Products with the Technology Tools, law firms will now have less use for the expensive labor of paralegals and additional attorneys as it relates to drafting standard documents.⁹¹ Law firms can replace these high-cost expenses with the lower cost of developing a proprietary Product using existing Technology Tools like HotDocs or Contract Express.⁹² Here, support attorneys and staff, who often command high salaries can now be replaced with subscriptions to Technology Tools that are free or cost substantially less per month.⁹³ This reduction in expenses will allow for law firms to run more like a new venture—with leaner staffing and scalable Products.

Third, law firms can benefit from the new revenue stream provided by creating Products, while preciously guarding their inventory of hours for sale, providing those hours to high-paying clients. This creates immense value for law firms, because

According to Legal Services Corporation, “86% of the civil legal problems reported by low-income Americans received inadequate or no legal help.” LEGAL SERVS. CORP. THE JUSTICE GAP 6 (2017), <https://www.lsc.gov/media-center/publications/2017-justice-gap-report>.

90. See generally Teninbaum, *supra* note 83.

91. The employment data website Glassdoor states that the average yearly salary for an associate attorney at a law firm is \$113,600 and the average yearly salary for a paralegal is \$50,169. *Associate Attorney Salaries*, GLASSDOOR, https://www.glassdoor.com/Salaries/associate-attorney-salary-SRCH_KO0,18.htm (last visited Apr. 27, 2020); *Paralegal Salaries*, GLASSDOOR, https://www.glassdoor.com/Salaries/paralegal-salary-SRCH_KO0,9.htm (last visited Apr. 27, 2020).

92. See HOTDOCS, *supra* note 55; see also THOMSON REUTERS, *supra* note 55.

93. In the best-case scenario, some Technology Tools allow law firms to use the Technology Tool for free and provide the firm’s clients with discounted rates to use the services. See, e.g., CARTA, *Law Firm Partner Program*, <https://carta.com/partners/law-partners/> (last visited Apr. 27, 2020).

in the typical law firm business model, the inventory that firms sell—the hours of their attorneys—are a limited resource.⁹⁴ Now, firms can maximize the value of that resource by ensuring that attorney hours are being used for high-cost, billable advice⁹⁵ that is truly valued by the client.

Lastly, law firms who adopt Technology Tools in their practices can use new-found attorney time to focus on previously challenging marketing efforts that were deemed too time-consuming to pursue. For example, many law firms require their attorneys to bill upward of 2,000 hours in a year, equal to 40 hours per week for 50 weeks of the year. This hour estimate excludes all work activities that are not directly related to a project for a client—so, the attorney actually works much more than 40 hours each week. Additionally, imagine the attorney is expected to spend a significant amount of time marketing to his or her clients. This is a recipe for burnout,⁹⁶ at worst, and ineffective marketing, at best.

Now, let's consider an attorney who not only has hours to sell to clients but also has Products to sell to clients. The more this attorney can earn by selling Products, the less the attor-

94. A national survey of law firms in 2014 showed that the average associate attorney bills clients between 1,750 and 1,875 (depending on the size of the law firm). To reach these levels of billable hours, the average attorney works nearly 2,100 hours per year (over 40 hours per week). See *Update on Associate Hours Worked*, NAT'L ASS'N OF LEGAL PRO., <https://www.nalp.org/0516research>, Table 2 (last visited Apr. 27, 2020).

95. The median billing rates for partners at law firms vary based on the size of the firm, but can reach \$575 an hour for partners at the largest firms (750+ attorneys). See Susan Kostal, *Rate Gap Widens Between Biggest Law Firms and Their Smaller Competitors*, ATT'Y AT WORK (Sept. 23, 2019), <https://www.attorneyatwork.com/rate-gap-widens-between-biggest-law-firms-smaller-competitors/>.

96. It is well documented in the popular press that attorneys are prone to work-related stress at a much higher percentage than the general population, due to myriad factors. A survey of mental health in professional settings by *Business Insider* states “[a] 2016 study by Hazelden Betty Ford Foundation and ABA Commission on Lawyer Assistance Programs surveyed nearly 13,[0]00 licensed, employed attorneys and found that 20.6% of those lawyers screened positive for ‘hazardous, harmful, and potentially alcohol-dependent drinking,’ 28% were experiencing depression, 19% were experiencing anxiety, and 23% were experiencing stress.” See Allana Akhtar & Rebecca Aydin, *Some of the Jobs Most at Risk for Suicide and Depression Are the Most Important to Society*, BUS. INSIDER (Nov. 14, 2019, 2:18 PM), <https://www.businessinsider.com/jobs-with-mental-health-risks-like-suicide-depression-2019-10>.

ney's hours are required to be put towards billing services to clients. These attorneys may choose to be more entrepreneurial in nature by spending some of their hours on marketing efforts, including pitching their services to entrepreneurs (and others) who could benefit. This would give the entrepreneurial attorney an advantage compared to its competitors who are less focused on bringing in new venture clients. It would also allow the attorney to "place more bets" on new ventures that will hopefully scale from buyers of Products into larger clients who pay for both Products and expensive strategic advice.

2. *Increasing a Law Firm's Scale Through the Use of Technology Tools*

New ventures can reap massive benefits when their attorney uses the increase in efficiency provided by the Technology Tools to increase his or her ability to scale law firm operations. In short, when attorneys can scale their business like other high-growth businesses, rather than being limited by supply constraints (i.e., there are only so many hours an attorney can bill in one day), the price of legal services can quickly become accessible to many more potential clients. Given this, my hypothesis is that new ventures in Rural Ecosystems have a lot to gain from these developments in law firm business models. Namely, new ventures in Rural Ecosystems, who typically lack access to the capital and connections of their Traditional Ecosystem counterparts, can offset those disadvantages with respect to legal services by having access to high-quality legal Products at a much lower cost than typical legal services. In creating the Products, law firms could substantially level the playing field for new ventures in Rural Ecosystems with respect to the benefits they derive from legal services.

In this section, I will measure the impact of scaling legal services on new ventures in Rural Ecosystems by discussing a law firm's: (1) Product offering; (2) number of clients served; (3) price charged for its services; and (4) revenue. This discussion has two important implications. First, access to high-quality legal services for new ventures in Rural Ecosystems will increase as law firms create inexpensive Products that serve the needs of these entrepreneurs. Secondly, law firms focused on serving entrepreneurial clients can realize significant economic benefits by strategically creating Products to replace

some of their existing legal services that are not readily purchased by entrepreneurs.

a. Product Offering

Attorneys have two choices with respect to offering Products: use already-developed Technology Tools and Products or develop their own Products. As discussed in Section II.A, many top startup law firms have already created free Technology Tools for select legal documents that are regularly needed by High-Growth Ventures. This demonstrates that a group of highly regarded law firms believe that legal Products can work in specific instances. However, these free Technology Tools are limited to the laws of a few states and only contemplate the most common legal scenarios for High-Growth Ventures. It is also worth noting that any new venture would use these free Technology Tools without the help of counsel since many of these law firms also have terms and conditions⁹⁷ that would prevent commercial use by another attorney. Thus, this first group of Technology Tools would not be used by law firms but, rather, by the entrepreneur as a self-service option.

Other Technology Tools like the Platforms provide access to a larger set of Products but are still limited with respect to the jurisdiction⁹⁸ and scenarios⁹⁹ in which the Platform's Products can be used by the client. These types of third-party Technology Tools allow clients to subscribe to the service, and the client's attorney can then use the already-developed Products to aid the client in completing specific legal tasks. Here, clients pay a subscription fee to the Product provider (for access to the Products) and a direct fee to the attorney they have hired each time the attorney's counsel is needed. Generally speaking, packages of the Products and the attorney's time are

97. See, e.g., *Cooley GO Terms of Use*, COOLEY GO, <https://www.cooleygo.com/terms-of-use/> (last visited Apr. 29, 2020).

98. Shoobx, like most Technology Tools, uses the Delaware C Corporation as its entity of choice. All forms and workflows in the platform rely on this choice of entity. See *The Modern Way to Incorporate*, SHOOBX, <https://www.shoobx.com/incorporate/> (last visited Nov. 13, 2020).

99. The offering of form legal documents on Shoobx is actually quite extensive for Delaware C Corporations operating as a high growth startup. Of course, this extensive existing Product offering still leaves room for Product creation for: (1) other entity types; and (2) scenarios more commonly encountered by startups that grow more slowly.

available to make this total cost much more affordable to the client than a typical law firm.¹⁰⁰ In other cases, the package costs the same as typical law firm services but includes a much more thorough treatment of the client's legal issues.¹⁰¹ In any event, attorneys will bring in some new work through the review of legal Products generated by clients in this category. However, that revenue will be less substantial than if the attorney developed the Product themselves.

This leads us to the third option—for attorneys to develop new proprietary Products on their own to use in serving their clients.¹⁰² Law firms could easily create these Products using existing Technology Tools like HotDocs and Contract Express, making for a relatively easy process of Product development. In doing so, individual attorneys could begin to fill gaps in the current market for Technology Tools by creating Products: (1) tailored to the laws of states not currently addressed by Technology Tools; (2) that address routine (but less common) legal tasks that new ventures need to complete; and (3) that allow for the formation and maintenance of routine (but less common) legal entities.¹⁰³ While this approach is already put into place by offerings like Legal Zoom,¹⁰⁴ those offerings also lack a reputation for quality.¹⁰⁵ Existing attorneys and firms

100. For example, one attorney offers clients fixed fee representation for all legal projects that can be completed using the Shoobx Products. The cost associated with that representation: \$2,500 for one year. *See Meet Michael*, SHOOBX SPARK, <https://spark.shoobx.com/michael-jabbawy-morse/> (last visited Apr. 29, 2020).

101. *Id.* If a startup client takes full advantage of the fixed-fee package referenced above, the startup could theoretically form an entity, complete post-incorporation tasks, hire and onboard employees, complete board consents, issue convertible notes, manage the entity's capitalization table, and more on a legal budget of \$2,500 for one year. This represents an incredible value for a startup that otherwise may neglect basic legal tasks due to their high cost.

102. *See, e.g.,* HOTDOCS, *supra* note 55; *see also* THOMSON REUTERS, *supra* note 55.

103. This type of Product development would be especially helpful for Rural Ecosystems in serving both High-Growth Ventures and Lifestyle Ventures.

104. *See Business Formation*, LEGALZOOM, <https://www.legalzoom.com/business/business-formation/> (last visited Apr. 29, 2020).

105. *See, e.g.,* Catey Hill, *Don't Buy Legal Documents Online Without Reading This Story*, MARKETWATCH (Nov. 27, 2015, 9:29 AM), <https://www.marketwatch.com/story/dont-buy-legal-documents-online-without-reading-this-story-2015-11-23> (last visited Apr. 29, 2020) (describing in-

with good reputations in their region could essentially trade on their brand name to create more reputable, sophisticated Products than those offered by existing competitors like Legal Zoom.

b. Costs of Legal Services to Clients and Number of Clients Served

Startup attorneys using Products to serve their clients can serve a greater number of clients at a lower cost per client. This is because law firms using a traditional business model have a limited supply of hours to offer customers. These law firms only have so many lawyers and support staff on hand, and each of those people only has so many working hours in the day. This necessitates that law firms maximize the amount of money they can charge per hour billed to a client. While flat fee services (on a project-by-project basis) are now relatively common,¹⁰⁶ these services are strategically priced to help law firms capture a similar value to that captured in the billable hour system.¹⁰⁷

When law firms create Products to sell to consumers, they create a new stream of revenue that can be differentiated from their high-priced service offering. This is because legal Products could take little to no attorney time to execute after they are built. Thus, law firms can maintain their time inventory for consultations with clients who are likely to pay the bill and provide Products to clients who either were unlikely to pay full price for the services described above, or were not customers before the Products were offered.¹⁰⁸ Given these potential

stances where form documents purchased from companies like LegalZoom were completed on improper forms, or led to preventable user error.).

106. See 2019 Law Firms' in Transition: An Altman Weil Flash Survey, ALTMAN WEIL 24, http://www.altmanweil.com/dir_docs/resource/28BC6AB5-10E9-418D-AED2-B63D1145F989_document.pdf (last visited Apr. 29, 2020) (stating that 64.3% of law firms are collaborating with clients on developing alternative fee agreements).

107. See Martha Neil, *Law Firm Pricing Directors Suggest Alternative Fee Strategies, Call for Focus on Profit, Not Hours*, A.B.A. J. (Sept. 28, 2012, 5:27 PM), https://www.abajournal.com/news/article/law_firm_pricing_directors_suggest_strategies_to_use_in_developing_alterati/ (discussing how law firms have turned to pricing directors to help them devise the best way to increase revenue and profits when using alternative fee arrangements).

108. There is an entity structure question here for law firms who choose to offer both Products and services. It is likely true that these offerings would

groups of consumers with respect to the Product offering, it makes sense to offer Products at an affordable rate compared to custom legal documents billed to clients based on attorney time.

This Product system also allows law firms to serve a much greater number of clients. In the prior business model, a law firm was constrained with respect to its inventory of hours and could only adequately serve¹⁰⁹ a certain number of clients. However, law firms offering Products can serve an infinite number of clients as long as the Products are developed to require little to no attorney or staff time. This means it is important for law firms to consider how to automate the process of each Product to “do as the lawyer would do” in drafting the Product document.¹¹⁰ While some clients will need to tap into the lawyer’s services to clarify aspects of a Product, it should be avoidable in most cases.

c. Impact of Products on Law Firm Profits

Clearly, not all law firms will succeed with respect to increasing revenue when replacing some of their high-cost services with low-cost Products. However, a firm that strategically creates a low-cost Product offering to attract new venture clients can become more profitable if: (1) it attracts new clients (that otherwise would not have become clients) through the Product offering; and (2) some of those Product-consuming clients mature and begin to consume high-cost services. In either case, a law firm having more “bets” placed on new venture clients is a good thing because it increases Product revenue and the odds of the law firm winning some of those bets in the

need to be made by separate entities, given that the services side of the business would not want to be liable for errors or omissions made by the Product side of the business. Most current players in the Products market make it explicit that they are not providing legal representation to the purchaser of a legal Product. *See, e.g.*, COOLEY GO, *supra* note 97 (stating that a user generating legal documents on Cooley GO has not established an attorney-client relationship with the related law firm).

109. *See, e.g.*, MODEL RULES OF PRO. CONDUCT r. 1.3 (AM. BAR ASS’N), https://www.americanbar.org/groups/professional_responsibility/publications/model_rules_of_professional_conduct/rule_1_3_diligence/ (last visited Apr. 29, 2020).

110. *See* Teninbaum, *supra* note 83 at 6.

long run (through a new venture client that matures into a service purchasing client).

Secondly, a law firm can benefit its bottom line in both busy times and quiet times by offering Products to potential clients. For busy firms, introducing Products allows for the addition of a revenue source that does not command significant attorney or staff time. This allows those employees to continue to bill for high-value service work, while introducing a new revenue stream that did not exist. Conversely, Products allow for potential cost savings for less busy firms, in the sense that they could potentially replace labor costs with automation costs (at a substantial cost savings).¹¹¹ In either scenario, a firm can benefit its bottom line through either increased revenue or decreased expenses.

Lastly, embracing Products is a step in the right direction for law firms who are trying to decrease or eliminate their physical “footprint.” For example, a small firm that relies heavily on Products, virtual consultations, and other methods of electronic client service can begin to justify the decision to go virtual and abandon its office space for good. This is less likely to work for large firms who need some degree of in-person collaboration. However, those firms can focus on decreasing their need for office space, rather than eliminating it altogether. Of course, if legal Products allow for an expanded geographic reach with respect to a law firm’s clients, office space in one particular location is even less important to that law firm. Given that office space typically costs a law firm 6-7% of its gross revenue,¹¹² there is plenty of potential for this expense to be reduced through increased use of Products and virtual work.¹¹³

d. Impact on New Ventures in Rural Ecosystems

There is the potential for significant benefits for Rural Ecosystem new ventures if law firms scale their use of Products,

111. *C.f. Paralegal Salaries*, GLASSDOOR, *supra* note 91.

112. See Jeff Haden, *How to Evaluate Law Firm Financials*, INC. (Jan. 22, 2014), <https://www.inc.com/jeff-haden/how-to-evaluate-law-firm-financials-wed.html>.

113. See Brandy Derrick, *How to Help Your Law Firm Clients Save on a Big Expense: Rent*, INTUIT QUICKBOOKS, <https://www.firmofthefuture.com/content/how-to-help-your-law-firm-clients-save-on-a-big-expense-rent/> (last visited June 23, 2020).

as described in the sections above. First, and most importantly, Rural Ecosystem High-Growth Ventures would now have access to resources (the Products) that are of a similar quality to resources (“custom-made” documents) provided by high-priced firms in Traditional Ecosystems. Secondly, attorneys using the Products will have a greater capacity to serve a large number of new venture clients, given the lesser demand on attorney time in executing Products (versus attorneys who draft documents manually). Third, the minimized demands on attorney time will lead to cost savings for new venture clients, allowing those clients to afford the legal services they need and be more likely to consume the legal services they need. Lastly, law firms utilizing Products should become more common as attorneys realize that a second stream of revenue (the Products) that minimally impacts the inventory (their time) of their first stream of revenue is a positive development for the law firm’s business model. This will provide new ventures in Rural Ecosystems with a well-developed marketplace for the legal assistance they need at a price they can afford.

Next, Parts III and IV discuss the specific types of legal work that new ventures can complete using the Products as well as how key players in Rural Ecosystems can ensure that these Products become available to new ventures in their area.

III.

NEW VENTURES CAN UTILIZE TECHNOLOGY TOOLS TO GET LEGAL WORK DONE EFFICIENTLY, USING ESTABLISHED BEST PRACTICES

When using many of the Technology Tools contemplated in Part II, new ventures can utilize products created by top-tier startup attorneys that implement well-established best practices and experienced startup attorneys to deliver the legal services. Through the use of these Technology Tools, new ventures in Rural Ecosystems have access to Products and other legal resources similar in quality to those enjoyed for years by well-funded new ventures in Traditional Ecosystems. Given that legal services delivered through Products can often provide better legal outcomes than local legal service providers located in Rural Ecosystems, who are not likely to be experienced in the typical deal terms used by new ventures, the use of these Products and Technology Tools by new ventures in

Rural Ecosystems seems to be an easy choice. Considering the fact that new ventures can also receive more affordable legal services by utilizing Products derived from the Technology Tools, the choice becomes even simpler for a new venture in a Rural Ecosystem.

However, not all new ventures in Rural Ecosystems are High-Growth Ventures (for which, the current set of existing Technology Tools are very useful). Instead, many new ventures in Rural Ecosystems are Lifestyle Ventures. Many of these Lifestyle Ventures will find that the current set of Technology Tools does not directly address many of their needs.

This part lays out the legal tasks that a new venture in a Rural Ecosystem can tackle by using currently developed Technology Tools and distinguishes the Technology Tools that are useful for High-Growth Ventures from the Technology Tools that are useful for Lifestyle Ventures. At the end of this part, the reader will have a clear idea of which legal tasks: (1) can (and cannot) be accomplished by using the Technology Tools for each type of venture; (2) require attorney assistance when using Technology Tools; and (3) can be completed at a cost savings by using the Technology Tools. The conclusion is clear: new ventures in Rural Ecosystems have a lot to gain from using the Technology Tools, both economically and with respect to legal protection. However, there is still work to be done to make these Technology Tools helpful to all types of new ventures in Rural Ecosystems—a topic to be discussed later in Part IV.

A. *Formation and Post-Formation Tasks and Resources*

Existing Technology Tools and Products can help entrepreneurs complete their company's very first legal tasks, including forming an entity and completing the "package" of related documents necessary at the formation stage. This is especially true for High-Growth Ventures, so the bulk of this section focuses on their needs. One excellent example of a useful Technology Tool at the entity formation stage comes from Cooley GO.¹¹⁴ Cooley GO has Technology Tools that allow entrepreneurs to form either a Delaware Corporation¹¹⁵

114. See COOLEY GO, *supra* note 49.

115. *Id.*

or a Delaware Public Benefit Corporation.¹¹⁶ In choosing either entity, the entrepreneur can create:¹¹⁷ (1) an Action by the Sole Incorporator; (2) a Certificate of Incorporation; (3) Bylaws; (4) Employee Confidential Information and Inventions Assignment Agreement(s); (5) an Initial Unanimous Written Consent by the Board of Directors; and (6) Restricted Stock Purchase Agreement(s), which include (a) a Technology Assignment Agreement; (b) a Stockholder Consent to Receive Electronic Communications; and (c) documents related to stock vesting, including an Internal Revenue Code Section 83(b) election. This set of documents is quite thorough for the purposes of most High-Growth Ventures forming a new entity (including those new ventures in Rural Ecosystems). That is a good thing as it allows these High-Growth Ventures to treat legal questions at the entity formation stage with the same level of seriousness as well-funded new ventures in Traditional Ecosystems. However, new ventures must use Cooley GO themselves (free of charge) as the site's Terms and Conditions likely prevents the entrepreneur from using the documents generated in conjunction with their attorney.¹¹⁸ However, other Technology Tools exist at the formation stage for the entrepreneur who would like further guidance from an attorney.

Shoobx provides a great entity formation solution for new ventures who seek: (1) attorney assistance; (2) help filing relevant paperwork; and (3) help finding a Registered Agent.¹¹⁹ For \$400 (which includes all fees imposed by the state of Delaware), entrepreneurs may form a Delaware Corporation on Shoobx, and utilize their attorney to confirm they have completed the documents correctly.¹²⁰ This process is quite simple, and a great fit for High-Growth Ventures. First, entrepreneurs may complete the form documents themselves, then send those documents to their attorney via the Shoobx platform. From there, Shoobx can handle tasks such as actually filing the Certificate of Incorporation with the State of Dela-

116. See *PBC Incorporation Package (Delaware)*, COOLEY GO, <https://www.cooleygo.com/documents/pbc-incorporation-package-delaware/> (last visited May 5, 2020).

117. See COOLEY GO *supra* note 49; see also COOLEY GO, *supra* note 116.

118. See COOLEY GO, *supra* note 97.

119. See SHOOBX, *supra* note 98.

120. *Id.*

ware on behalf of the company and establishing a relationship with the company's Registered Agent.¹²¹ Ongoing fees for the use of Shoobx's other Products begin at \$15 per month.¹²²

Alternatives to Shoobx's formation workflows exist with Clerky¹²³ and Gust.¹²⁴ Clerky completes the entity formation and a set of "post-incorporation" tasks¹²⁵ (like those completed in the above –mentioned Cooley GO workflow) for roughly the same cost as Shoobx's incorporation package. At Gust, entity formation (plus other services on an ongoing basis) begins at \$300 per year.¹²⁶

By comparison, a highly regarded law firm,¹²⁷ Fox Rothschild LLP, offers similar entity formation services for a flat fee of \$5,000 plus applicable filing fees.¹²⁸ Here, it is clear that entrepreneurs can experience a significant cost savings by leveraging the Technology Tools (along with their attorney, when needed) to complete formation-related legal tasks. Thus, if you believe that the Technology Tools can yield equal quality outcomes when used correctly by entrepreneurs, using the Technology Tools appears to be a wise choice for entrepreneurs. This is especially true for entrepreneurs who are not well-funded and are not located near many (or any) sophisticated startup attorneys.

121. *Id.*

122. *See Pricing*, SHOOBX, <https://www.shoobx.com/pricing/> (last visited May 5, 2020).

123. *See Formation*, CLERKY, <https://www.clerky.com/formation> (last visited May 5, 2020).

124. *See GUST LAUNCH*, <https://gust.com/launch> (last visited May 5, 2020).

125. Clerky also offers a lifetime package for \$799, which appears to be the best economic deal for startups with heavy usage. *See Company Lifetime Package*, CLERKY, <https://www.clerky.com/pricing#company-lifetime-package> (last visited May 5, 2020); *see also Pay Per Use*, CLERKY, <https://www.clerky.com/pricing#pay-per-use> (last visited May 5, 2020).

126. *See Pricing*, GUST LAUNCH, <https://gust.com/launch/pricing> (last visited May 5, 2020).

127. *See Fox Rothschild LLP*, VAULT RANKINGS, <https://www.vault.com/company-profiles/law/fox-rothschild-llp> (last visited May 5, 2020) (showing the firm is ranked 85th in the annual Vault rankings of United States law firms. The rankings are compiled based on peer assessment and are widely used in the legal industry.)

128. *See Startup Package*, FOX ROTHSCHILD LLP, <https://www.foxrothschild.com/startup-package/> (last visited May 5, 2020).

Lastly, one weakness of the existing formation-related Technology Tools is that they are not tailored to the needs of many Lifestyle Ventures. For example, many single owner Lifestyle Ventures may prefer to form a single-member LLC for tax reasons, which is not an option using the current Technology Tools. Further, the current set of Technology Tools does require an entrepreneur to form their entity in Delaware, introducing a modest increase in filing costs if the Lifestyle Venture is located in another state.¹²⁹ Additionally, forming an entity in Delaware introduces the chance that the Lifestyle Venture could be sued in Delaware, which could become a significant burden for a small business in the future. Relatedly, many legal forms and post-incorporation tasks will change when an entity type or state of formation is changed, so this quickly diminishes the value of the current Technology Tools for Lifestyle Ventures who may have a good reason to form another entity type or form the entity in another state.

However, for Lifestyle Ventures having two or more owners, it is often much simpler to form a corporation (compared to a limited liability company or other type of partnership). This is due to the unnecessary complexity (and cost) of having a customized multi-member LLC operating agreement drafted as well as the potential complexity (and cost) of navigating complex partnership tax rules and regulations.¹³⁰ In these cases, forming a corporation makes the most sense for a Lifestyle Venture, and the cost savings and simplicity of using the Technology Tools (to form a Delaware entity) will more than offset the additional filing costs. Thus, the Technology Tools

129. These increased costs come in the form of: (1) a potentially higher initial filing fee and annual report fee in Delaware; (2) ongoing franchise tax requirements in Delaware; and (3) the need to register as a foreign entity doing business in one's home state. *See generally How to Form a New Business Entity*, DELAWARE DIVISION OF CORPORATIONS, <https://corp.delaware.gov/howtoform/> (last visited June 11, 2020) (stating a minimum fee of \$89 to incorporate in the State of Delaware, a \$25 fee to filing each annual report for the entity, and a minimum annual franchise tax assessment of \$175).

130. Flow-through entities allow partners to allocate income based on their own agreement, as long as those allocations have "substantial economic effect". *See* Treas. Reg. § 1.704-1(b). These rules are some of the most complex tax issues one could encounter, and are beyond the scope of this article. However, the rules illustrate how much more complex partnership taxation can be when compared to taxation under a corporate law regime.

can still be quite useful for multi-owner Lifestyle Ventures at the formation stage, although those ventures would benefit from having a home-state corporate entity option through the Technology Tools to avoid future destination lawsuits in Delaware.

B. *Corporate Governance Tasks*

Various providers of Technology Tools and Products give new ventures the ability to complete basic corporate governance tasks like: (1) board consents to add or remove officers or directors;¹³¹ (2) board consents for securities transactions;¹³² (3) employee tax forms;¹³³ and (4) employee onboarding documents.¹³⁴ These documents ensure that a new venture meets corporate law requirements at the state or federal level with respect to certain actions taken by the company. Using specific Technology Tools, these documents can be automatically generated when a relevant transaction occurs while also automatically notifying the relevant signers to review and endorse the document.¹³⁵ These documents can then be automatically stored in an electronic data room for safe recordkeeping.¹³⁶

Pricing for these corporate governance documents varies, but is affordable overall (beginning at \$9 per document.)¹³⁷ Certainly, no skilled startup attorney can match that price; they would need to generate one of these documents in less than six minutes, at an hourly rate of less than \$90 per hour, in order to match that price. Thus, for entrepreneurs who can justify forming their entity through one of the Technology Tools, the ability to complete these corporate governance tasks for little to no money is a significant bonus. Conversely, Lifestyle Ventures, who may choose another entity type for other reasons, would be wise to consider the cost tradeoff they

131. See *Other Products*, CLERKY, <https://www.clerky.com/other-products> (last visited May 5, 2020).

132. See CARTA, <https://carta.com/private-companies/> (last visited May 5, 2020).

133. See SHOBOX, *supra* note 68.

134. *Id.*

135. *Id.*

136. *Id.*

137. See *Pricing*, CLERKY, <https://www.clerky.com/pricing#pay-per-use-other> (last visited Apr. 27, 2020).

are making with respect to routine corporate governance tasks (as the Technology Tools provide effective representation for a low cost).

C. *Human Resources and Intellectual Property Tasks*

Some Technology Tools offer a wide variety of Products to allow new ventures to complete legal work related to human resources and intellectual property. Existing Products include: employee offer letters;¹³⁸ consulting agreements;¹³⁹ advising agreements;¹⁴⁰ confidential information and invention assignment agreements;¹⁴¹ non-competition agreements;¹⁴² non-solicitation agreements;¹⁴³ nondisclosure agreements;¹⁴⁴ employee stock option grants;¹⁴⁵ restricted stock purchase agreements,¹⁴⁶ website privacy policies;¹⁴⁷ and website terms and conditions.¹⁴⁸

These Products are useful to new ventures because they can help a new venture ensure that its new hires have a clear understanding of their role with the company and their compensation. Further, the Products can help the new venture: (1) protect its intellectual property (or lay claim to intellectual property developed by employees and contractors); (2) ensure that its workers do not compete with the new venture or solicit the company's other workers to compete; (3) ensure that company trade secrets remain secret; and (4) protect a company from legal claims arising from the use of its website. While these documents address complex legal issues, they are relatively simple to execute in Product form due to standardized terms used by many reputable law firms.

138. See, e.g., WILMERHALE LAUNCH, *supra* note 46.

139. See, e.g., COOLEY GO, *supra* note 42.

140. See, e.g., *id.*

141. See, e.g., *Documents and Templates*, LATHAMDRIVE, <https://www.lathamdrive.com/resources/documents> (last visited May 5, 2020).

142. See, e.g., WILMERHALE LAUNCH, *supra* note 46.

143. See, e.g., *id.*

144. See, e.g., COOLEY GO, *supra* note 42.

145. See, e.g., *Equity Compensation*, ORRICK, <https://www.orricks.com/en/Total-Access/Tool-Kit/Start-Up-Forms/Equity-Compensation> (last visited May 5, 2020).

146. See, e.g., *id.*

147. See, e.g., COOLEY GO, *supra* note 42.

148. *Id.*

More extensive Products related to human resources management are also available to new ventures.¹⁴⁹ These Products allow new ventures to “[d]igitally generate, sign, and store I-9s, W-4s, offer letters,” manage payroll, and generate organizational charts and compensation reports.¹⁵⁰ While some of these tasks are typically outside of a lawyer’s set of responsibilities, generally being completed by human resources professionals, the Products still allow for greater efficiency in completing these tasks, which is beneficial to any new venture operating with lean staffing.

Lastly, many of the above Products are useful to both High-Growth Ventures and Lifestyle Ventures. Thus, a Lifestyle Venture that decides to form as a limited liability company, for example, is not necessarily excluded from using the above resources.¹⁵¹ However, most of the current Technology Tools discussed in this section are focused on tasks regularly completed by High-Growth Ventures (like hiring employees and granting equity, for example). These tasks may or may not be completed regularly (if at all) by many Lifestyle Ventures. Alternatively, a Lifestyle Venture may have its’ own set of regular, unique legal tasks to complete, without a current Technology Tool or Product available for use to complete that task. For example, a bar or restaurant in a Rural Ecosystem might regularly need standardized supplier agreements for its food, drinks, and more. That same bar or restaurant might also need a standardized live performer agreement for the entertainment acts it brings in on weekend evenings. Depending on the Rural Ecosystem and its subset of Lifestyle Ventures, new Products like these might be more useful for a higher proportion of local businesses.

D. *Equity and Financing Tasks*

A significant number of Products have been developed in the equity financing space, giving new ventures a wide variety of resources to draw from in seeking initial investment. These Products are focused on the first types of investments a new

149. See SHOVBX, *supra* note 68.

150. *Id.*

151. However, some of these Products conform to specific state law requirements. New ventures using these Products should be aware of that possibility when using these Products.

company would receive, allowing for early-stage new ventures with few resources to have high-quality, low-cost alternatives to custom-made legal documents. Certainly, High-Growth Ventures in Rural Ecosystems are among the group of companies who can benefit most from these Products.

The following Products are available from various existing sources: (1) convertible notes;¹⁵² (2) simple agreement for future equity (SAFE);¹⁵³ (3) keep it simple security (KISS);¹⁵⁴ and (4) Series Seed convertible preferred stock document packages.¹⁵⁵ Additionally, form documents are available from the National Venture Capital Association with respect to Series A convertible preferred stock fundraising.¹⁵⁶ In total, these investment options give High-Growth Ventures and their investors a full menu of possibilities. While some of these investment Products could technically work for pass-through entities like limited liability companies or S Corporations (with some adaptations made by a skilled attorney), using one of those entity types can introduce some complex taxation issues that most entrepreneurs and investors would prefer to avoid.¹⁵⁷ Thus, these Products are intended for use by C Corporations (and sometimes, specifically Delaware C Corporations). This makes the set of current equity and financing Products perfect for use by High-Growth Ventures who have used the entity formation Products from Section III.A and less useful for Lifestyle Ventures who have opted to form an entity through other means.

These equity financing Products are sometimes offered with various “service” packages attached, allowing for High-Growth Ventures to choose the level of assistance they need in

152. See, e.g., *Fundraising*, CLERKY, <https://www.clerky.com/fundraising> (last visited May 11, 2020).

153. *Id.*

154. See *500 Startups Announces ‘KISS’*, 500 INSIGHTS, <https://500.co/kiss/> (last visited May 11, 2020).

155. See *Equity Financing*, SHOOBX, <https://www.shoobx.com/equity-financing/> (last visited May 11, 2020); see also *Gust Series Seed Documents*, GUST, <https://gust.com/series-seed/> (last visited May 11, 2020).

156. See *Model Legal Documents*, NAT’L VENTURE CAP. ASS’N, <https://nvca.org/model-legal-documents/> (last visited May 11, 2020) (listing various documents related to Series A equity financings).

157. See generally Scott Pinarchick & Will Bussiere, *LLCs and Convertible Debt – Too Good to be True?*, MINTZ EDGE, <http://mintzedge.com/blog/llcs-and-convertible-debt-too-good-to-be-true> (last visited June 11, 2020).

getting the job done correctly. In the most low maintenance version, new ventures can simply pull forms from a website to execute themselves.¹⁵⁸ Other Products are offered through online document generator platforms, which allow for more controlled customization.¹⁵⁹ Further, some Products add the option to send a document generated through a document generator directly to the new venture's attorney for review.¹⁶⁰ Lastly, one platform goes even further with respect to client service, providing an automated system for the company's attorney to guide it through a Series Seed financing.¹⁶¹ Overall, this variety of Product options allows for any new venture to choose the levels of sophistication, guidance, and price it deems appropriate to complete an equity financing. This set of options is especially useful for High-Growth Ventures from Rural Ecosystems, as they can access high-quality resources and assistance that may not be readily available from service providers in their region.

Lastly, one form of financing not mentioned above is crowdfunding¹⁶² (i.e., the method of raising capital where companies may solicit small investments from unaccredited investors through an approved online portal). Crowdfunding provides an opportunity for Rural Entrepreneurs to engage their local communities and raise money from the very customers the company serves, which is immensely positive.¹⁶³ However, crowdfunding campaigns must follow relatively strict rules, and are entirely operated through established funding portals. Those portals are, in some cases, already providing Technology Tools or services¹⁶⁴ related to executing a crowdfunding campaign successfully. Thus, it would not make sense for Rural Ecosystems to reinvent the wheel and create their own crowdfunding portal and Technology Tools, given

158. See NAT'L VENTURE CAP. ASS'N, *supra* note 156.

159. See, e.g., COOLEY GO, *supra* note 42.

160. See, e.g., CLERKY, *supra* note 152.

161. See SHOBOX, *supra* note 155.

162. See Andrew A. Schwartz, *Rural Crowdfunding*, 13 U.C. DAVIS BUS. L.J. 283, 288 (2013).

163. See generally, *id.*

164. For example, the largest crowdfunding portal, Wefunder, helps new ventures navigate the legal elements of their crowdfunding campaign. See *Raise Money*, WEFUNDER, <https://wefunder.com/raise-money> (last visited Oct. 26, 2020).

that existing Technology Tools exist that can be leveraged by any company, anywhere.

IV.

IMPACT OF THE TECHNOLOGY TOOLS ON RURAL ENTREPRENEURS AND HOW RURAL ECOSYSTEMS CAN MAGNIFY THAT IMPACT

As discussed in Part III, existing Technology Tools can benefit entrepreneurs in Rural Ecosystems (especially High-Growth Ventures). However, some smaller new ventures in the Lifestyle Ventures category would benefit from minor additions to the menu of Technology Tools and Products available. Additions that could make a real impact on Lifestyle Ventures in Rural Ecosystems include: (1) a single-member limited liability company formation package in the Rural Ecosystem's state of formation; (2) other entity formation packages (Corporation and Benefit Corporation) for the Rural Ecosystem's state of formation; (3) corporate governance documents like board (or member) consents tailored to each entity type and conforming with the Rural Ecosystem's state laws; and (4) common legal documents needed by companies in a Rural Ecosystem's existing "clusters" of High-Growth or Lifestyle Ventures.

This part focuses on how Rural Ecosystems can implement existing Products and build a set of new Products that can benefit their local entrepreneurs. This part also focuses on the support organizations for entrepreneurs located in Rural Ecosystems, and how those groups can help build a more effective legal service system for their new ventures. Typical organizations utilized to support new ventures in Rural Ecosystems include universities, accelerators, incubators, local service providers (including attorneys), and government programs. These organizations can and should work together to promote existing legal Products (and build new Products) for new ventures in their Rural Ecosystem. In doing so, these organizations can build out inexpensive legal services programs for the entrepreneurs they serve that utilize established best practices.

The path forward could be relatively simple. An easy first step would be for Rural Ecosystem support organizations to partner with skilled startup attorneys (regardless of their loca-

tion¹⁶⁵) and offer a basic set of legal services using the existing Products. If these Rural Ecosystem support organizations can provide a cohort of entrepreneurs looking to form new ventures, they should have no problem finding a startup attorney who already uses the Products that would be willing to efficiently serve the group of entrepreneurs in need. In this proposed legal services program, the new ventures would have access to the currently existing set of Products (serving High-Growth Ventures), as well as qualified counsel to guide them through their first legal steps. This is a marked improvement over the current state of affairs in most Rural Ecosystems, where new ventures may struggle to find an attorney well-versed in business law, let alone startup-specific issues.

Eventually, Rural Ecosystems could work to leverage their cohorts of entrepreneurs even further, by partnering with local law firms and law clinics (at law schools) to develop localized Products fit for both High-Growth Ventures and Lifestyle Ventures. This would be a big victory for Rural Ecosystems—as they could now serve both types of businesses with basic legal Products. However, one obstacle to building and implementing such Products would be finding qualified and willing local attorneys to execute the legal services program. This is where it becomes important for Rural Ecosystems and their support organizations to serve two key roles: (1) creator of a system of Products that can make economic sense for attorneys and entrepreneurs in the region; and (2) identifier and endorser of the attorneys who are qualified to assist entrepreneurs with the Products.

First, in creating a system of Products that can make economic sense for attorneys and entrepreneurs in the region, Rural Ecosystem support organizations must be mindful of the types of entrepreneurial ventures (e.g., High-Growth Ventures or Lifestyle Ventures, or new ventures in specific “clusters”) that are typically formed in the area. This fact should inform the set of Products that is developed for use by the ecosystem’s new ventures. In some cases, a specific Product will be able to be used by any new venture (for example, an employee offer letter). In other instances, a specific Product may be limited to a particular type of venture (for example, an entity formation

165. This would be done in a similar way to an existing business model, like the one used by Shooobx Spark. *See, e.g.,* SHOOBX SPARK, *supra* note 5.

package for a single-member LLC). Given these considerations, Rural Ecosystems will need to create a set of Products based on new venture demand, as well as the economics of developing the Products (i.e., how well can local law firms monetize the Products based on the types of new venture customers within the Rural Ecosystem). In any given Rural Ecosystem, this set of Products may not cover the common legal questions of all new ventures, but it should cover the common legal questions of a majority of new ventures.

Of course, many states are made up of multiple Rural Ecosystems, so a partnership opportunity exists too. Here, multiple Rural Ecosystems can work together to develop a full set of Products, applicable to all types of new ventures, that can be leveraged by any entrepreneur in the state. In creating a state-wide network of Rural Ecosystems, support organizations, and legal Products, new ventures can have access to a wide variety of legal Products that utilize best practices. Additionally, Rural Ecosystems can share other resources too, including expert counsel, to improve the quality of the final legal Product consumed by new ventures. This expanded geographic footprint provides an opportunity for those expert startup attorneys to specialize in certain practice areas within a Product set, like entity formation or employment law, while having more new ventures to serve in that specific area of the law. These state-wide Rural Ecosystem partnerships are helpful in creating a sustainable set of legal Products for new ventures and business model for participating startup attorneys.

Second, it is important for Rural Ecosystem support organizations to serve as the identifier and endorser of the attorneys who are qualified to assist entrepreneurs with the Products. This solves a major challenge for most Rural Ecosystem entrepreneurs—the difficult search for a local attorney who understands the legal issues pertinent to their new venture. Instead of undergoing a difficult search for a qualified attorney, local entrepreneurs can easily select an attorney since they will receive constant messaging from Rural Ecosystem support organizations about which attorneys are a part of their legal services program and how each of those attorneys can effectively assist the entrepreneur. Additionally, this system would benefit participating attorneys too, given that there may be a limited number of businesses to serve in a given Rural Ecosystem. By identifying and endorsing a limited number of

attorneys, the Rural Ecosystem can ensure that developing a practice serving entrepreneurs makes economic sense for each participating attorney.

The legal services system described above can impact the way entrepreneurs in Rural Ecosystems consume legal services in a significant manner. Entrepreneurs in these ecosystems sometimes hesitate to form an entity,¹⁶⁶ let alone set conventional terms around equity grants, intellectual property rights, employment relationships, and various other transactional items. Typically, this is due to the costs associated with the legal services. However, it can also be caused by the inability of the typical local legal service provider to stress the importance of these items to the entrepreneur. When entrepreneurs in Rural Ecosystems choose to use legal service providers who have implemented Technology Tools and Product offerings in their practices, the entrepreneur can reduce both of these concerns. This is due to the: (1) lower cost of the Product and legal service “bundle;” and (2) the explicit emphasis on specific legal issues relevant to the new venture through the Rural Ecosystem’s customized Product offerings. This ideal combination encourages new ventures in Rural Ecosystems to take care of key legal issues facing their business in a timely manner. By implementing ecosystem-wide or state-wide legal service systems leveraging legal Products and specialized services, Rural Ecosystems can provide better outcomes to their entrepreneurs, and encourage future entrepreneurs to set up shop in the area.

CONCLUSION AND FUTURE APPLICATION OF CONCEPTS

New ventures in Rural Ecosystems will benefit from accessing high-quality legal services at a fraction of the traditional cost. Those new ventures can do this by utilizing legal Products derived from Technology Tools. The legal services delivery system proposed in this article can help reduce the disadvantages

166. One excellent example of a sophisticated, well-funded entrepreneur failing to take this step is illustrated by the case of *Holmes v. Lerner*, 88 Cal. Rptr. 2d 130 (Cal. Ct. App. 1999). In this case, the court held that two entrepreneurs entered into a partnership by informally agreeing to launch and operate a venture with one another. Only later did one of the entrepreneurs form a legal entity (without involving the other entrepreneur—which ultimately caused the dispute in this case over equity ownership of the venture). *Id.* at 132, 134–35, 141.

faced by Rural Ecosystem new ventures when compared to new ventures located in Traditional Ecosystems, who historically have advantages in receiving advice from top-notch advisors and service providers. Additionally, support organizations for entrepreneurs located in Rural Ecosystems have an incentive to use the Technology Tools to build inexpensive legal services programs that leverage legal Products, given that their cohorts of High-Growth Ventures and Lifestyle Ventures can benefit from this work. In a world where rural entrepreneurs have access to high-quality legal services, regardless of their geographic location or level of funding, Rural Ecosystems can turn their sights to attracting and retaining talent for the new ventures to hire, and attracting investment dollars for the area's most promising new ventures. This would begin to level the playing field for Rural Ecosystems in a meaningful way, encouraging more entrepreneurial activity in new areas of the United States.

Additionally, the concept of high-quality legal Products can impact entrepreneurs not considered by this article. For example, minority-owned and female-owned new ventures often face the same obstacles as rural entrepreneurs in attempting to access capital and other important resources.¹⁶⁷ These groups of entrepreneurs could benefit from the use of Technology Tools and Products too because these new innovations can make higher quality legal outcomes affordable and attainable for their new venture. Further, support organizations for female and minority entrepreneurs could follow the template set forth for Rural Ecosystems in this article to create Technology Tools and Products for their constituent new ventures. There is no reason for the concepts set forth in this article to be limited to helping Rural Ecosystems—since many other disadvantaged entrepreneurs can benefit from targeted

167. See Valentina Zarya, *Female Founders Got 2% of Venture Capital Dollars in 2017*, FORTUNE (Jan. 31, 2018, 7:30 AM), <https://fortune.com/2018/01/31/female-founders-venture-capital-2017/> (stating that “[a]ll-women teams received just \$1.9 billion of the \$85 billion total invested by venture capitalists last year,” according to Pitchbook); see also Lauren Leatherby, *Coronavirus is Hitting Black Business Owners Hardest*, N. Y. TIMES (June 18, 2020), <https://www.nytimes.com/interactive/2020/06/18/us/coronavirus-black-owned-small-business.html> (discussing the disproportionate struggle of black-owned businesses with respect to accessing federal stimulus funding during the coronavirus pandemic).

efforts to help their business thrive. It would be wonderful to see others continue this line of research in an effort to positively impact these communities of entrepreneurs.

