



WHITE PAPER

SIX WAYS FIRMS CAN WIN WITH LEGAL TECHNOLOGY IN AN UNCERTAIN MARKET



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Legal technology has come a long way in recent years.

But as the COVID-19 outbreak spreads across the globe, nobody could have imagined the impact it would have on the legal market and the daily lives of legal professionals.

As recently as three months ago, it would have been inconceivable that law firms would be forced to support an entirely remote workforce. But in today's environment, that's exactly what's happening. On top of it, clients are facing their own challenges, and their expectations are not diminishing. They still expect the same level of service but now within the strict constraints of limited in-person interactions and the latest orders from local governments.

In today's world, firms need to be planning for a new future filled with a host of challenges:

- Working virtually and keeping talent performing
- Building expertise in emerging and unfamiliar practice areas
- Meeting client demands for virtual communication
- Doing as much or more work with leaner staffs



The good news is, as innovative firms facing new crises have done for decades, the current conditions presented can be addressed, at least in part, by a smart and focused legal tech strategy. How will the industry's pioneering firms use tech during these unprecedented times? Let's take a look at six ways.

1 MAXIMIZING ATTORNEY PERFORMANCE

“Under-performing lawyers” ranked as the number-three risk to firm profitability, according to the Thomson Reuters 2019 Law Firm Business Leaders Survey, which analyzed responses from 75 executives representing firms ranging in size from 50 to 225 attorneys. It ranked as the number-one risk to profitability in a similar survey of 50 law firm leaders representing firms with 11 to 49 attorneys.

Sarit Shmulevitz, Director, Practical Law Bankruptcy at Thomson Reuters, is an attorney who practiced for 15 years in both corporate and law firm roles. As she explains, “When I was practicing, the biggest thing I saw young attorneys struggle with was lack of guidance and training. There is so much that goes into practicing law — it’s impossible to come into practice and be prepared for everything.”

Some law firms will use technology to help make their attorneys more productive, knowledgeable, and profitable:

- **Productivity:** Productivity, defined as the number of billable hours worked by lawyers divided by the total number of lawyers at a firm, improves as eliminating non-billable time helps under-performing lawyers focus on increasing billable hours.
- **Knowledge:** Whether an attorney needs to brush up on an old practice area or is expanding into a new one, having access to the right “how-to” technology allows attorneys to get up to speed quickly.
- **Profitability:** When lawyers have the tools to work at maximum efficiency and focus on high-value tasks, the amount they contribute to the firm’s bottom line will naturally increase.

Investing in the right legal technology can immediately and effectively address many of the issues that keep lawyers from performing at the top of their games. Says Shmulevitz, “When junior attorneys start their first job at a law firm, partners and associates expect them to be able to hit the ground running. That’s hard to do without practical experience.”

It’s also difficult in this new environment where many of your employees are likely working remotely. The opportunities for a new associate to catch a colleague in the hall to get guidance on a problem are no longer available. The need for technology is doubled to give associates the tools they need to make an immediate impact — whether they’re in the office or at home.

2 APPEALING TO DISCERNING CLIENTS

Law firm clients are becoming more and more demanding. They want quick, accurate responses and top-quality results, and they are not afraid to push back on rates — or even move work to a different firm — when they don’t feel they are getting the value they expect. More recently, they’ve also been pushing for more online collaboration options that limit the need for face-to-face interaction. So, not only are clients demanding top results, they also have expectations around how you deliver them.

If law firms are concerned with under-performing lawyers, their clients are equally concerned with what they consider to be under-performing law firms. Data from the most recent Thomson Reuters Business Client Experience Survey indicates that 53% of respondents said a law firm’s use of technology — or lack thereof — was a major consideration in their hiring decisions.

William Josten, Manager of Enterprise Content at Thomson Reuters, is an attorney and respected legal industry expert who has spent decades collecting and analyzing legal market data and trends. As he explains, “When [legal consulting firm] Altman Weil asks law firms how serious they are about changing their legal service delivery models, and a similar question is asked of general counsels about their outside firms, law firms consistently give themselves a score nearly double that of GCs. So law firms think they’re a lot more serious about it than their clients do.”

Firms that invest in and fully implement the most recent legal tech position themselves as innovators and industry leaders. Their ability to respond quickly, accurately, and digitally to inquiries makes them valued members of their clients’ teams and vital partners that clients look to for guidance and advice in the course of making any critical decision.

3 ATTRACTING TOP TALENT

For firms looking to attract a top lateral candidate or wanting to fill their ranks with the best young associates, technology can frequently be a strong consideration for attorneys thinking about a move to a new position.

It makes perfect sense, if you think about it. For attorneys who have spent their careers working with mediocre technology, joining a firm committed

to staying on the cutting edge can be extremely attractive. On the other hand, attorneys accustomed to accessing the most current technology will not want to take a step backward in terms of the tools available to do their jobs.

Attorneys want to feel they have access to any tool that gives them a better chance of success – in the office, at home, or in the local cafe. In many ways, they have as much at stake as the firm does with regard to making a move. If they feel the firm’s lack of commitment to technology could impede their chances of success, they could make a decision that puts their reputation first, no matter how attractive the other aspects of the offer.

Savvy firm leaders use technology to make themselves as attractive as possible to prospective new hires. According to the [2020 Report on the State of the Midsize Legal Market from Thomson Reuters Legal Executive Institute](#), this may be especially true for midsize law firms, where the bulk of staffing growth happens in the associate ranks.

The data indicates that midsize firms are being much more proactive about hiring associates to ensure they are prepared to handle their regular caseload amid the ongoing trend of baby boomer retirements. Conversely, they are replenishing equity partners at a rate of just .44, meaning that, on average for every 10 equity partners that leave, firms are backfilling those departures with fewer than five new ones.

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4 DEPLOYING EFFECTIVE (AND VIRTUAL) CLIENT COMMUNICATION

Some of the most innovative uses of technology in an uncertain legal market will focus on client communication. Clients have clear expectations about how they want to communicate with their attorneys, and interacting through technology ranks near the top of the list. Not only does tech integration help to meet client expectations in this area, it also helps the firm to streamline communication and affirm its position as an innovator. Let's take a closer look at two of the leading client communication technologies in this new "virtual" environment:

Client portals: In a business such as law that deals with sensitive client information, there certainly needs to be a way for attorneys and clients to communicate securely. For many firms, this may mean printing documents for in-person meetings, sending email attachments, or utilizing file-sharing services to share documents digitally. Using secure online portals allows the firm to upload sensitive documents for client review and for the client to respond to questions, signature requests, and other inquiries from the attorney.

Not only does it save time for both parties, it is far less disruptive. In addition, it allows clients to respond to these issues and may allow them to check the status of their matters on their own time and can

even save them money in the form of lower legal fees by eliminating the need for an in-person meeting, especially in an environment where distance is encouraged. Cloud-based solutions have made client portals much more accessible. They are often easier and more convenient for firms to administer and for clients to use. Law firm clients use these types of portals in other parts of their business and personal lives, and it won't be long before they start to question why similar technology isn't in place at your firm.

Video conferencing: While many firms use video conferencing technology for business meetings between offices, relatively few use it to communicate with clients. Granted, a large part of this decision will come down to client preference, but the trends seem to indicate that clients would prefer to participate in a virtual meeting from their desk or conference room rather than make a trip to their law firm's office — especially if local governments recommend staying at home or implement shelter in place orders. Video conferencing is also considered a significant upgrade from a phone call, given the ability to speak face to face and view documents together as though you were in the same room. Innovative law firms are implementing technology that allows them to hold virtual meetings with clients across town and around the world.



5 COMPETING FOR NEW BUSINESS

Of all the innovative ways that law firms can apply legal tech, few consider its potential impact on their business development efforts. Considering that 25% of respondents to a survey from the Thomson Reuters Legal Executive Institute said their top goal was “business development,” it seems clear that the help of technology is a boost that any firm would like to have. Here is a brief overview of a few ways some of the most pioneering firms will be putting their legal tech to full use in this area:

Expanding existing client relationships: It is no secret that corporations hire multiple law firms. In some cases, they need specialized representation to handle specific niche matters. In others, they simply don’t want all their eggs in a single basket with regard to outside representation. Regardless of the reason, the opportunity remains for firms to win a more substantial portion of the client’s business. If firms can show they have the expertise necessary to do the job, they can build on an already strong business relationship.

For some firms, expanding their expertise can make them more competitive. Forward-thinking firms are being proactive about implementing how-to solutions that allow their attorneys to get up to speed quickly on new areas of law. Not only does it help firms reach their goal of expanding current relationships, it will also help them compete for new business with other companies.

Proving a track record of success in a particular type of matter: Whether your firm wants to grow the kind of business it does for a specific client, or you’re just trying to get in the door, it is essential to show you have the chops to get the job done. There

are robust analytics solutions on the market that allow you to show exactly how your law firm performed when litigating a particular type of matter. You can even compare your performance with other firms, including known competitors.

With the ability to back their claims of expertise and results with hard data, firms will put themselves in a much stronger position for success when responding to an RFP or prospecting on their own.

Making time for business development: When firms are asked about the barriers to business development, many say they simply don’t have the time between helping clients and running the business side of the practice. By implementing legal tech that streamlines routine tasks, attorneys across the firm can accomplish more in less time and free themselves to focus on business development.

Capitalizing on market trends: As with any market upheaval, law firms will be faced with a drastic shift in the types of legal issues their clients are facing. With the COVID-19 pandemic, firms can expect to see a marked increase in legal issues surrounding labor and employment, tax, bankruptcy, and more. For firms that don’t normally work in these practice areas or others where client needs may arise, it can be a challenge to recalibrate their practices. Proactive firms will invest in [the technology](#) that will get associates up to speed quickly so they are prepared for any request that may arise.

6 USING TECH AS A DIFFERENTIATOR

When law firms make the commitment to invest in legal tech, they typically base the purchasing decision on the tangible benefits we’ve mentioned

previously: speed, efficiency, knowledge, client service, and others. What many firms fail to consider, however, is how the fact that they even have the technology makes them look next to a firm that doesn't.

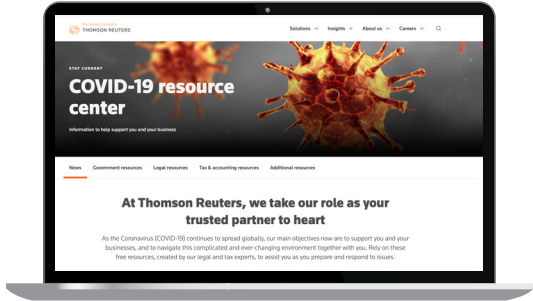
Firms that position themselves as innovators can justifiably take it one step further to tell current and prospective clients that their commitment to technology sets them apart from other firms. When they pitch themselves as being faster, more accurate, better informed, and more prepared, they can go all in and add the fact that technology helps them do all of those things. They will clearly communicate that their firms have made the conscious decision to use every available tool in service of their clients' success and well-being.

Not only will this type of approach do well with prospective clients, it will also serve as a notable selling point in the firms' recruiting efforts.

How will your firm make use of legal tech in these uncertain times?

These are unprecedented times, and the full impact of the COVID-19 pandemic is yet to be realized. But some level of legal impact is a near certainty. Law firms that are prepared to answer the call can position themselves as the go-to partner in this uncertain market.

The leading firms during this time will find ways to use legal technology to streamline routine tasks, collaborate with clients, and help navigate the challenges of the market. Now is the time to evaluate your firm's technology strategy and reconfigure it for the future.



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