



Six ways firms can win with legal technology in a challenging market

WHITE PAPER

Legal technology has come a long way in recent years.

Nobody could have imagined the global uncertainty we have left in the last few years, and the effect it would have on the legal market and the daily lives of legal professionals.

Just a few years ago, it would have been inconceivable that law firms would be forced to support a hybrid or remote workforce. But in today's environment, that's exactly what's happening. On top of that, clients are facing their own challenges, and their expectations are not diminishing. They still expect the same level of service, but now within an uncertain economy.

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

- Performance in a remote or hybrid working environment
- Building expertise in emerging and unfamiliar practice areas
- Meeting client demands for virtual communication
- Doing as much or more work with a leaner workforce

Innovative firms have faced — and survived — new crises for decades. The good news is, the current conditions presented can be addressed, at least in part, by a smart and focused legal tech strategy.

Let's take a look at 6 ways the industry's pioneering firms can use technology during uncertain times.

1 Maximizing lawyer performance

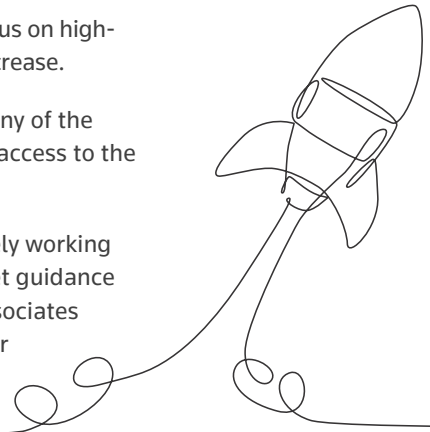
“Under-performing lawyers” ranked in the top five risks to firm profitability, according to the Thomson Reuters® 2022 Law Firm Business Leaders Report, which analyzed responses from 50 law firm business leaders. While the risk has receded over the last year, 26% of respondents still see it as a high risk, and 48% as a medium risk.

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

- **Productivity:** Productivity is defined as the number of billable hours lawyers have worked divided by the total number of lawyers at a firm. Eliminating non-billable time helps under-performing lawyers focus on increasing billable hours, thus improving productivity.
- **Knowledge:** Whether a lawyer 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 lawyers 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 and give them access to the guidance they need to hit the ground running.

It’s also difficult in our current environment where many of your employees are likely working remotely. The opportunity for a new associate to catch a colleague in the hall to get guidance on a problem is 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, but they also have expectations of 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 a 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 a lawyer 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 technology 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 lawyers thinking about a move to a new position.

It makes perfect sense, if you think about it. For lawyers who have spent their careers working with mediocre technology, joining a firm committed to staying on the forefront can be extremely attractive. On the other hand, lawyers 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.

Lawyers 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 **2022 Report on the State of the Midsize Legal Market**, investments in technology have been steadily growing year over year, with a 9.1% growth posted in Q2 2022.

The data may indicate that midsize firms are recognizing the benefits of technology, not just for their current staff, but for the potential of hiring top legal talent to ensure they are prepared to handle their regular caseload amid the ongoing trend of baby boomer retirements.

With this focus on hiring top talent, it is critical that firms do everything possible to stay in the recruiting game — and technology investments will be at the top of the list for many firms. Those that don’t prioritize it may find themselves in a much more difficult position when trying to bring on top talent.

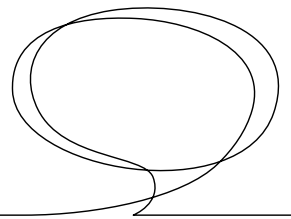
4 Deploying effective (and virtual) client communication

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 lawyers 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 that deals with sensitive client information, there certainly needs to be a way for lawyers 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 lawyer.

Not only does it save time for both parties, it is also 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 people may be working from anywhere. 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. 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 high-value 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 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 regarding 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 lawyers 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, lawyers 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. For example, with the COVID-19 pandemic, firms expected to see a marked increase in legal issues surrounding labour and employment, tax, bankruptcy, and more. For firms that didn’t normally work in these practice areas or others where client needs may arise, technology could help them get up to speed in a particular area.

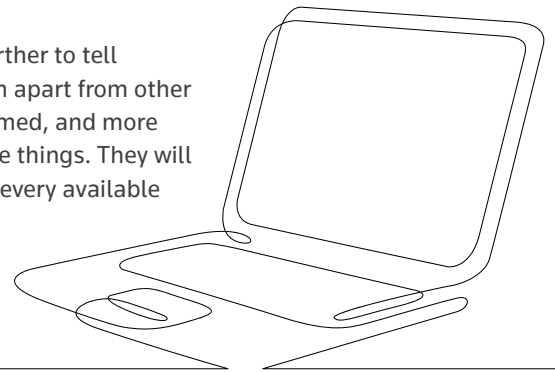
Proactive firms will invest in the **technology that will get associates up to speed quickly** so they are prepared for any request that may arise.

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 having the technology makes them look when compared 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 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 uncertain times?

Law firms that are prepared to be trailblazers can position themselves as the go-to partner in an uncertain market.

The leading firms 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. See how Thomson Reuters legal solutions and technology can **revolutionize your firm's legal work.**

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