

Beyond Case and Matters Management:

Why Embracing Tech Is Essential for Law Firm Survival

Law firm technology for growth and efficiency



Introduction

The legal industry has tended to lag behind other professional services and industries in terms of technology adoption. This is no secret; lawyers and law firms have long been known as late adopters of technology. Not only are they somewhat risk-averse and skeptical by nature, they are used to the glacial pace of the court system and develop attachments to processes and ways of conducting business that can make adopting new methods challenging.

However, in a post-pandemic environment, legal technology adoption is poised to be a critical factor in determining whether a law firm thrives or survives. Legal technology is not a new phenomenon, and it has only been brought into sharper focus in the current environment. And, perhaps, these changes have deepened the legal industry's appreciation for technology and the vital role it plays. Data from 2020 shows that firms knew they had to quickly embrace change, with one Bloomberg survey reporting 77% of respondents being prepared to increase use of legal technology.¹



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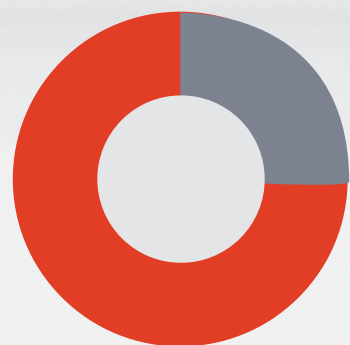
Law firms today have a better idea of what works and what doesn't in terms of their specific tech needs, with an understanding that operational efficiencies and cost control are leading advantages of tech solutions. Instead of seeking out specific solutions to specific problems, firms are turning to holistic solutions that examine the firm as a connected ecosystem functioning as a whole, which leads to better practice management.

The business advantages are many, from process automation and streamlined communication to more accurate reporting. The antiquated approach of putting a Band-Aid on an issue is not a way to improve a firm's operations from a tech standpoint. The idea is to make day-to-day work easier, and the way is through a solution that takes an entire firm's needs into account, versus a collection of generic solutions.

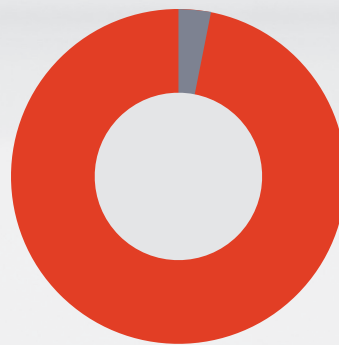
Tangible Benefits of Legal Technology: Driving Operational Efficiencies

It's clear: legal technology solutions tailored to fit the needs of a firm lead to better overall practice management — with the added benefit of time and cost savings. Automating repetitive tasks, streamlining document management, auto-populating certain documents/reports, and using dashboards and data visualization tools are areas where legal tech solutions can drive efficiencies and facilitate improved client service. Ultimately, this translates to more time spent on billable tasks.

These efficiencies are well-documented. Consider, for example, one recent legal operations study highlighting the before-and-after difference of automating a single nondisclosure agreement (NDA).² The study shows that manually completing just one NDA form costs law firms nearly \$130. Conversely, automating the same document — that is, setting it up so that subsequent NDAs can be completed in the same manner with predictable outcomes — costs around \$32.50. This amounts to monetary savings of about 75% and time savings of about 95%, or 20 times faster than a manual process. Furthermore, the study illustrates that a senior attorney who manually completes just three documents per week wastes \$1,350 per month in billable time. What this means is that automating record-keeping tasks frees lawyers up so they can spend their time on higher-value (read: revenue-generating) tasks.



75%
monetary savings realized via
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agreement (NDA)



95%
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Legal technology presents law firms with an ability to understand their businesses in a different way. What are we doing well? Where can we improve? Historically, law firms just wanted to be busy, because it meant they were successful. But there were real questions about whether the tasks they were doing helped the firm be profitable. Tech provides real insights into how to recognize, improve, even eliminate process bottlenecks.

These process improvements are even more important in an increasingly remote environment. Adopting cohesive, 360-degree legal tech solutions can help firms with everything from business development to billing and case management.

Case studies by AbacusNext bear this out. One Florida-based firm had been using a physical paper trail for everything, including a Rolodex for phone numbers. By automating their business practices and implementing a cohesive tech solution, their staff has saved up to 20 hours per week.³ Because lawyers weren't wasting time hunting for client contact information every time they wanted to engage, or re-generating basic intake documents every time a new client was brought in, the firm was able to ultimately generate more revenue — while increasing client satisfaction at the same time.

Another firm, which had been in growth mode, needed a legal practice management solution to customize its electronic client intake process. The intent was to improve efficiency, reduce manual entry errors and increase transparency across operations. The new intake screens and custom reports built into AbacusLaw now allow the firm to enter only the data important to each case and view it on screen in an intuitive way. This has increased transparency within the firm, reduced manual entry and errors and improved efficiency. Most importantly, it has allowed the firm to take on a greater caseload — utilizing its existing resources.⁴

This is the power of technology. Coupled with data visualization and analysis, cutting-edge tech solutions can quickly help users glean insights into how a firm is operating, as well as offer a window into client interactions across the organization. It is possible to zoom into one matter or look at the firm's book of business in an entire practice area through utilizing analytics and creating custom dashboards.

Of course, the legal industry is built on relationships, not just numbers on a screen or data to be analyzed. But tech can even help improve client relationships. This is because legal tech provides an enhanced ability to create responsive client service. Indeed, if attorneys can spend less time on rote tasks and more time providing counsel and advice, client relationships will naturally grow stronger. Tech has facilitated the attorney/client relationship and broadened the ways people can work together.



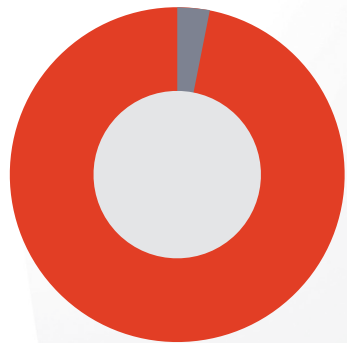
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Why It Matters Now: Reaching a Fork in the Road

A 2020 report by Altman-Weil once again sounds the alarm for firm leaders to grab the opportunity presented by the pandemic to hit the reset button. The pandemic and the accompanying economic sputter provides firms with yet another “opportunity to truly rethink what a law firm ought to be doing to meet the needs of a marketplace that has already changed in terms of how clients define and measure value and what they’re willing to do to make sure they get it.”⁵

As the report notes, pricing pressures, including pushing for concessions and predictability around budgets, coupled with “more sophisticated utilization of preferred technologies” will be top of mind for clients as the world starts to anticipate the end of the pandemic.

Whether the legal industry responds quickly enough to those changes is up for debate. While 95% of respondents said they felt a focus on improved practice efficiency was a permanent trend, the Altman-Weil report notes that law firms in general have not “demonstrated the will to change their legal service delivery model to increase the value being delivered to clients.” This is even as 56% report that tech tools that reduce the need for lawyers and paralegals — classified as competition from non-traditional sources — is a potential threat to their business.



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Yet there is opportunity for legal tech to play a complementary role instead of one that will wholesale take jobs. It is about transparency, and tools help both clients and attorneys understand their relationship in a way they couldn't before.

And tech benefits the industry as a whole. Legal technology solutions naturally support collaboration and communication from anywhere. Additionally, firms that put tech to its best use will have competitive advantages when it comes to attracting and retaining talent, especially as talent is sourced from an ever broadening pool. The end result is empowering talent with technology tools that support their professional success, and consequently, the firm's success as a whole.

Conclusion

The bottom line is clear: firms must recognize that working flexibly and remotely relies on the connectivity that legal tech solutions offer. Failure to acknowledge and act on this will stunt business growth in the post-pandemic economy. The genie is out of the bottle: running a better firm with practice management solutions is a key differentiator.

For technology providers, the goal is to connect the dots and help firms transition as fluidly and painlessly as possible. Firms are being pressured to address process inefficiencies, search for cost savings, and react to a client base that is increasingly demanding innovation in how legal services are delivered. The concept of legal technology adoption and its impact on how daily work is accomplished will push law firms to embrace a digital-first mindset. Heady firms will readily tap into improved ways of evaluating their success using metrics beyond profits. Leaders must eye the future — and the future is digital.

To learn more about how legal tech solutions can advance your firm in a post-pandemic environment, contact AbacusNext at AbacusNext.com or 1-800-726-3339.

¹ "Analysis: The New Normal: Law Firms May Never be the Same," Bloomberg Law Analysis, May 7, 2020.

² 12 Ways Workflow Automation Delivers ROI for Legal Operations, Mitrataech

³ Client Story: How a Law Firm Went from 100% Paper to Practically Paperless, Painlessly, AbacusNext

⁴ Client Story: AbacusLaw Scales to Handle New Business, AbacusNext

⁵ 2020 Law Firms in Transition, An Altman Weil Flash Survey

