

Transformation Through Technology:

How Law Firms are Adapting to the New Normal



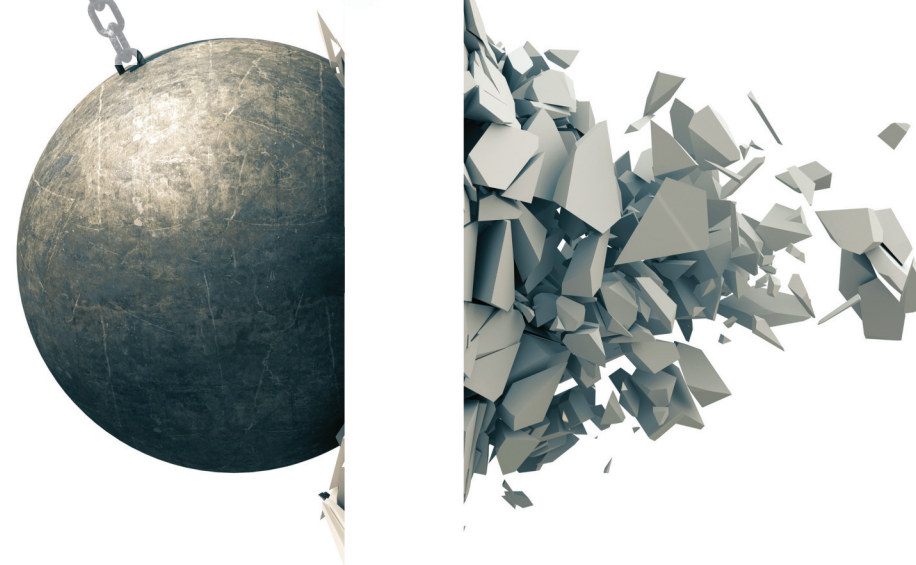
Pandemic Snapshot: **Law Firms in Turmoil**

Two juggernauts have hit the law firm world in the 21st century: **technology and the COVID-19 pandemic**. With the advent of tools like document management platforms, practice management software and electronic payment processing, some law practices have embraced technology to enter a new era of efficiency and profit.

Many of their non-digitized competitors have struggled to stay competitive while relying on manual processes and paper-based workflows. Some firms exist somewhere in the middle, having adopted select tools to increase efficiencies while still trying to manage a variety of legacy systems and documents trapped in different silos.

The COVID-19 pandemic changed the game for almost every law firm. Sudden stay-at-home orders pushed them into remote work practices, whether their staff were ready or not. At the same time, many firms saw their client needs escalate abruptly, from navigating estate planning to employment issues to bankruptcy and family court. Existing clients needed more from their lawyers than ever before, while new clients searched for a law firm they could trust even if they couldn't meet their attorney in person. Firms needed to collaborate virtually, build client relationships at a distance, and share and secure resources with staff in dispersed locations — without a grace period to master a learning curve.

The outcome? Law firms adapted, with ingenuity, tenacity, and technology. That's the story of the survey, *Industry Report: Survival or Evolution — Law Firms Navigate a Digital Metamorphosis* ([click here](#)), which talked to 366 law firms across the U.S. to find out how they adapted to this disruptive new normal. In a year of bad news, that might sound dire. But many firms found their operational journey unlocked unforeseen benefits. Call it The Remote Advantage — a technological transformation that put many law firms on the path to a more productive and more profitable future.



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Industry Report: **Survival or Evolution**

The *Industry Report: Survival or Evolution* survey collected data from April through June of 2020 at the height of lockdown, providing a real-time snapshot of how firms scrambled to adjust to new routines, new client dynamics and a new operational environment.

These firms represented a range of practice areas, though most were litigators, real estate attorneys, commercial attorneys, estate planning attorneys, and bankruptcy lawyers. The survey results illustrated how they addressed challenges and in doing so, permanently changed their firm's future.

Their feedback illustrated both the commonality of certain obstacles and their perceived value of legal technology in dissolving those barriers. Almost all legal practices in the survey faced the same 5 challenges during lockdown:



**Empowering staff
to work and
collaborate
remotely**



**Delivering an
exceptional virtual
client experience**



**Using automation
to increase
efficiency and
productivity**



**Securing sensitive
client data**



**Turning operational
data – such as cash
flow or productivity
– into strategic
insights**



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Survey Takeaways: **Technology Rising**

One common theme dominated the survey results — transformation through technology. 82% of firms described technology as “extremely” or “very” important in running a law firm during the pandemic.

Some firms were not prepared to shift into full-time remote work. Training attorneys and support staff to deliver personalized service in a virtual client relationship or ensuring that everyone in the firm could access the right resources from home motivated firms to find, adopt and use the right tools. Other firms were already leveraging legal technology to automate workflows and keep their attorneys focused on practicing law rather than administration.

Firms already embracing technology were comfortable working remotely, but still learned valuable lessons on where they needed to improve their operations and how they could evolve beyond basic digitization to thrive in a tech-driven future.

In the end, firms that committed to technology transformation experienced the dual advantage of surviving the pandemic and strengthening their position for the future. These firms learned how to build a more agile and collaborative environment while identifying productivity bottlenecks. Many spotted the need to transition to a secure cloud now instead of waiting to do so later — thereby strengthening their market position in the future.

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Technology: Preferences and Practices

The survey responses provided a detailed explanation of which tools law firms found valuable to navigate the pandemic and beyond.

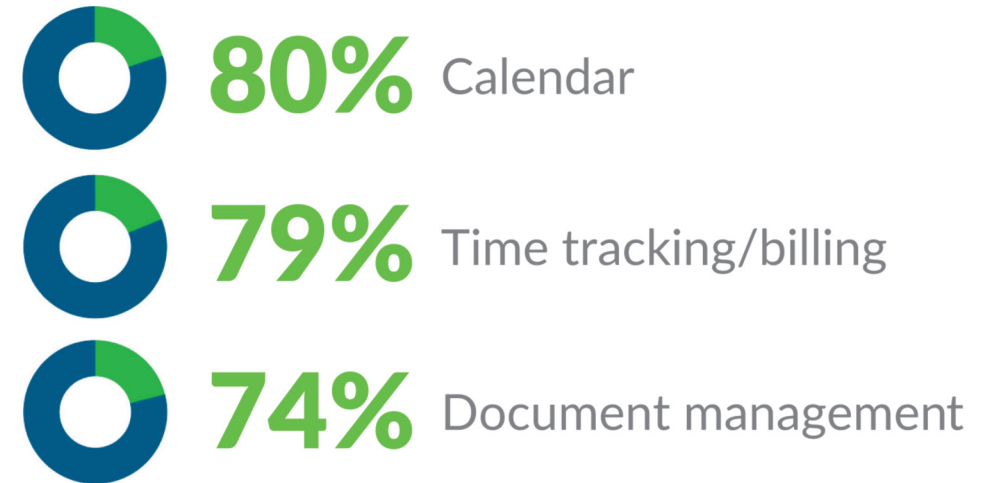
Certain practice areas are more tech-friendly than others.

Bankruptcy attorneys considered technology most important, while estates/trusts attorneys relied on it the least. This may be due to the high client caseload experienced by bankruptcy attorneys in the pandemic.

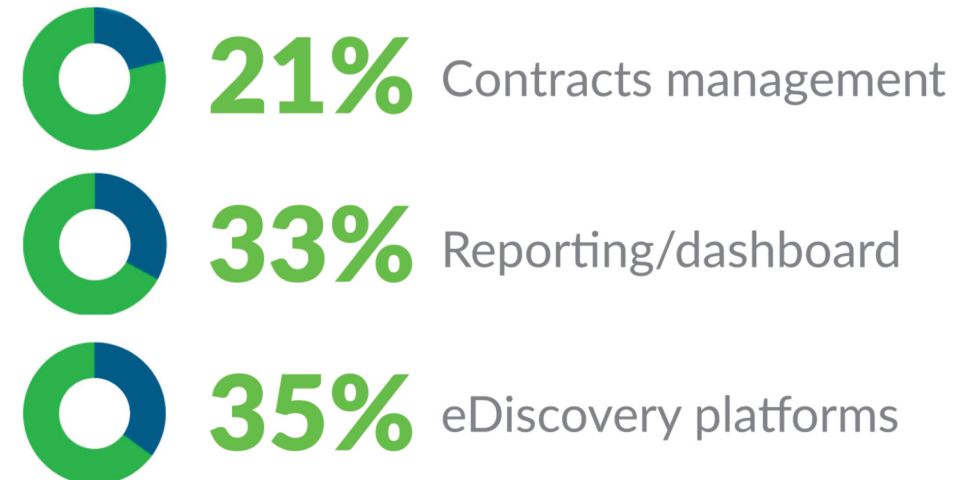
Most law firms do not employ full-time IT help to manage their technology.

The largest cohort (28%) reported zero full-time IT staff: the next largest group (19%) employed just one IT employee. It is clear that law firms need technology platforms that are intuitive to use and include excellent tech support.

Attorneys rely on three tools the most...



... While these tools had the lowest usage:



Legal Technology: Challenges & Opportunities

Despite the rising technology adoption during the pandemic, plenty of firms noted their own room for improvement as they struggled with the following challenges:

Crossing the digital divide.

Lawyers are typically slow technology adopters, and many still depend on manual processes even as other industries accelerate into the digital age. Cost, training, and daily disruption can have an intense impact on a small but busy firm – yet they are aware they may lose their clientele if they don't embrace digital conveniences. Given that few small firms have an IT expert on staff, these firms must find a user-friendly and low-maintenance solution that lets them focus on practicing law instead of troubleshooting IT issues. To solve this issue, many are turning to virtualization and cloud options that can help support a distributed workforce with minimal IT resources.

Compliance confusion and weak security practices.

The survey demonstrated that many firms are not adequately protecting their client data or their own reputation. **42% of firms do not bother to control access to sensitive data** by role or responsibility level, which heightens their cybersecurity risk. **72% still use unencrypted email** to send and receive sensitive data, which unnecessarily increases malpractice liability.

When it comes to compliance regulations like CCPA, GDPR and other data privacy laws, **54% are confused about compliance regulations** – and they are unsure how their data is or should be collected, stored, and used. This can be an issue with the ad hoc arrangements made during lockdown, when firms copied data and documents onto local machines as needed. These firms must adopt a consistent protocol for storing, protecting, and controlling access to information.

Limited reporting and visibility.

One surprising result was the **low adoption (33%) of dashboard and reporting tools**. Without reporting, firms lack insight into staff productivity, cashflow, workflow bottlenecks, new client acquisition and other factors – which means they may be repeating mistakes instead of correcting them. Reporting and analytics tools help firms make informed decisions quickly instead of waiting for a quarterly or monthly report.

Communication obstacles.

Another survey surprise: only **47% of firms used the benefits of collaborative messaging platforms** like Slack or Microsoft Teams. In an era where “video is the new phone,” firms are squandering a valuable productivity tool. Instead of staff waiting for email responses or forwarded documents, they can tap into a centralized resource for immediately communicating, sharing, and storing information. Secure video conferences and virtual meetings also provide an excellent channel for stronger client relationships and colleague collaboration.



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Technology: Investments

The most successful law firms are turning to practice management software that empowers remote collaboration and exceptional client service, no matter where staff and clients are located.

Firms invested in several tools to support their remote staff during the pandemic.

- Video conferencing: 91%
- Teleconferencing: 78%
- Remote desktop system for local document management: 58%
- Cloud-based document management systems: 57%

Electronic payment processing is also on the rise in law practices — for both small and large transactions.

The benefits include a shorter collections cycle, account visibility and client convenience – so it's not surprising that electronic payment tools are becoming popular.

- 58% of law firms offer electronic payments — with estate/trust, family law and tax practices being the biggest adopters.
- The most common transaction sizes are \$500-\$999 and \$5,000 and up.

91%

Are using video conferencing to support staff

78%

Teleconferencing has become a mainstay of operations

58%

Use remote desktop systems for local document management

57%

Are using cloud-based document management systems

58%

Are offering electronic payment options

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Most transaction sizes are \$500-\$999 and \$5,000 and up



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10 Rules:

The New Legal Practice

If the survey points to one conclusion, it is that modern law firms must adopt new tools to be successful. While the following practices and standards are undoubtedly helpful during the current pandemic (and any future disaster), they are also requisite for a future in which technology and automation have permanently elevated client expectations.

To survive and thrive in uncertain conditions, law firms must:

1. Streamline operations to reduce costs and boost productivity. To stay profitable, law practices must find ways to increase their caseload without continually adding headcount. Software for document management, practice management and payment processing can help reduce the need for support staff while increasing productivity.

2. Digitize workflows. Automating manual tasks can reduce human error, eliminate paper, improve compliance and version control, and help recruit top talent who prioritize a modern workplace.

3. Provide a competitive virtual client experience. In a marketplace crowded with new legal apps and representation options, clients are looking for white glove service, 21st century-style. They expect to be able to upload documents, check case status updates and pay invoices online wherever they are and whenever they please. Secure communication platforms also build trust and keep the client feeling connected and satisfied.

4. Support remote work. Pandemic or not, a busy law firm will have staff who use different programs, operating systems, and devices from a variety of locations. Advanced cloud-based tools are the key to remotely collaborating and managing the firm, whether in court, a client's conference room or at home.

5. Use one software platform that does it all.

Rather than investing in multiple platforms that each handle different functions, and then managing a costly and complicated tech stack, firms will benefit by investing in one platform that handles all or most of the functions they need.



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6. Be knowledgeable about data privacy compliance requirements.

The American Bar Association (ABA) has issued a clear opinion that lawyers have an obligation to protect the security and confidentiality of privileged documents when they are transmitting them by email or other electronic means. Lawyers don't need to be experts on pending compliance legislation, but they can work with a provider that helps them handle, transmit and store data appropriately.

7. Practice advanced security. Encryption of data in transit and at rest, role-based access controls, state-of-the-art datacenters and firewalls, ransomware defense and backup and disaster recovery tools are not a luxury – they are mandatory in today's cybercrime-ridden landscape.

8. Leverage reporting tools. No law firm should be a black box. Reporting tools can yield data-driven insights on staff productivity, client profitability and workflow bottlenecks. Firm partners can analyze both granular data and see big picture patterns to create new management strategies, correct problems and increase revenue.

9. Prioritize integration. Operating a collection of tools that do not speak to each other leads to inaccurate documents, wasted hours and duplicated work. Firms must choose platforms that offer real-time synchronization or integration with the tools they use most.

10. Future-proof their firm. Law firms close their doors all the time; even the biggest clients can go out of business. To build a strong foundation for the future, firms need to choose technology that can help them adapt to new client preferences and increase their caseload without hiring additional staff. They should also automate as many administrative tasks as possible so they can free up hours to focus on industry research, innovation, and growth.



Taking Family Law on the Road: Finding Success with Legal Practice Software

Adoption attorney Robert Noone has represented abused and neglected children for almost 30 years. It's a practice that keeps him frequently on the road as he assists foster parents, grandparents, stepparents and single parents in West Virginia and Alabama. "My office is wherever I am," says Noone, noting that he might work from home, restaurants, court, or hotels on any given day. It was a reality that made it clear he needed tools that supported a remote office.

Noone sometimes has as many as 19 hearings a day, which originally meant a hefty caseload and a lot of paperwork. He did verbatim interviews in jails using a laptop and stored client data on cassette tapes. Time was another challenge. "Every day is important to adopting parents," he says — but simply getting an adoption hearing can take 45 days. Waiting for replies to phone calls and emails caused more delays, while manual intake processes sometimes led to error. So Noone turned to law practice software.

After a thorough search, Noone decided on Abacus Private Cloud (APC), a virtual workspace designed to host and manage a firm's critical data and applications.

Joining a New Class of Attorneys

Noone enjoyed the conveniences of a virtual, paperless practice — one where AbacusLaw's time tracking, billing, and accounting functions saved him significant time and money. He was able to access his database from anywhere, at any time, with any device, and was protected by automated backups and multifactor authentication. His eFiling became more efficient and accurate, and his document prep and case management was much easier. In fact, his notes were so well-organized and accessible that judges noticed in his court appearances — and began asking for his notes for reference.

Having used APC for years, Noone cautions other attorneys about choosing the right technology. "Look for longevity. New technology does not mean [anything] if it doesn't last. The longevity of Abacus is appreciated." He also likes the constant IT support: "I have access to an IT person that can help me unfreeze or get something working or get rid of my deleted files or something I've screwed up. When I call, it's answered and handled in 10 minutes, period."

Today, Noone's virtual workplace keeps delivering fresh rewards; when courts closed due to COVID-19, his law practice kept cases moving forward, to his clients' delight. "The best ad that brings in business is doing a good job," he says. "Abacus puts me in a different class from other attorneys."

His final verdict? "Putting money toward automation is worth it."



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AbacusNext:

The Leader in Legal Practice Management Software

AbacusNext combines decades of legal software experience with next-generation cloud technologies unique in the market. Sophisticated solutions for practice management, payment processing and document automation solve operational, compliance and productivity challenges for law firms with an easy-to-use interface and state-of-the-art security.

Lawyers trust AbacusNext because:

- We help them offer exceptional client service, thanks to our secure client portal and electronic payment processing tools.
- Cloud flexibility lets them work from wherever they are – whether they are managing staff, meeting with clients, or drafting a contract.
- Tools for calendaring, case management, time tracking/billing and more transform their efficiency and productivity.
- They don't need to pay for multiple products or multiple vendor support: our solutions do it all.

- World-class security, including state-of-the-art datacenters, AES 256-bit encryption, ransomware defense and backup and disaster recovery tools protect their data while they focus on practicing law.
- Integration with QuickBooks, Office 365, Salesforce, DocuSign, PCLaw, TimeSlips, Tabs3, Juris and other platforms means they never need to duplicate work or jump between systems.

Contact AbacusNext for a free technology assessment, where we will analyze your firm's current infrastructure, workflows, document storage and security controls and recommend a customized solution.

Ready to transform your legal practice?

Learn more about strengthening your law firm's efficiency and profitability — download *A Law Firm Technology Checklist*. <link>

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