

# Four Trends in the Legal Industry to Watch



During the Great Recession, many legal professionals battened down the hatches, strapped on the water wings and did everything possible to keep themselves afloat. For those surviving the storm, the ailing economy has forever changed the landscape, creating greater efficiencies and productivity in an even more competitive market. From these changes have emerged a number of trends to keep an eye on. There are just a few:

## **website1** Social Networking

Social networking has the potential to transform a law practice. A growing number of social media tools are available to legal professionals to change how legal recruits and hires, locates and discredits witnesses, manages careers and interacts with clients. Indeed, due diligence in litigation often includes requests for postings on social media websites and often, larger organizations consult with their legal team when establishing social media policy.

For the solo or small firm, social media tools such as Facebook, Twitter, YouTube and LinkedIn are key marketing tools, helping attorneys and legal professionals extend reach and strengthen branding, advertising and client development goals.

These social sites allow you to participate in online forums, search job openings, exchange ideas and practice tips, share opinions, knowledge and experiences. Other sites include [Martindale.com](http://Martindale.com), Connected, Lawyrs.net, [LawLink](http://LawLink) and [Legal On Ramp](http://Legal On Ramp). There are more, but a gentle warning: do start small and keep a tight handle on how many social networking sites you join as participation time can quietly grow, becoming unmanageable. Take it slow.

### **Legal Process Outsourcing**

In recent years, the legal industry has experienced a global paradigm shift in the delivery model for legal services. This shift, mainly due to corporate clients concerned with rising legal expenses, is estimated to reach \$8,568.5 million by 2020, according to a study by Grand View Research. Legal process outsourcing (or LPO) transfers the work of attorneys, paralegals and other legal professionals to external domestic and overseas vendors. Onshore and offshore legal outsourcing is transforming law firms and corporate legal departments as they continue to seek ways to minimize costs and enhance flexibility. Major offshore locations include India, the Philippines and South Africa. E-Discovery accounted for the largest market share of over 25% a few years ago and is projected to accelerate.

### **Virtual Law Firms**

The cloud has released the chains of commuting to an office so legal professionals can work virtually—and virtually anywhere! More and more legal professionals are working from home or from within a virtual law office. Virtual law offices provide an alternative method of practicing law that offer more flexibility in work hours to help foster a more balanced work/life. Legal professionals can modify their schedule to fit personal and family needs while practicing law. Virtual law firms help reduce the traditional overhead for law firms, including eliminating brick and mortar offices, office supplies and sometimes even benefits. Plus, working remotely significantly cuts the firms carbon footprint so it is more “green”.

Virtual law firms can be full service and handle the entire range of existing practice areas from criminal defense to business to estate planning—and even matters as complex as mergers and acquisitions. From the client’s view, location should not be paramount as the work product is the same whether created in a home office or business complex. This trend is likely to continue as technology continues to enable lawyers to practice law brilliantly from an office or at the corner Starbucks.

## **HeroAlternative Billing Models**

The legal industry is continually being pressed to reign in costs which has resulted in some firms diverging from the traditional billable hours model in favor of new alternative billing models. These alternative billing models include fixed, flat, blended or capped fees. A law department metrics survey reported that 72.8 percent of fees paid to outside counsel were based on billing arrangement other than the standard hourly rates or the billable hour. More and more law firms are embracing alternative billing as a way to meet the financial resources of the client and to ensure a long-term relationship.

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