

4 Legal Industry Trends For Modern Lawyers



- 4 Legal Industry Trends in 2019 For Modern Lawyers

Several shifts are taking place in the legal industry. Some of these shifts are more obvious, while others are progressing quietly behind the scenes.

Are you ready for these changes?

For most firms, it's business as usual. Only it isn't business as usual for clients. Many of these clients have a different set of expectations from the firms they hire. Firms with a "business as usual" mentality have much to lose.

Let's take a look at a few of the 2019 trends shaping the legal industry.

Trend #1: Client expectations are growing, again

Clients are spending less, demanding more, and expecting greater value. Today, clients have more choices than ever when it comes to choosing a firm to meet their legal needs. The abundance of choice means they're now in the driver seat.

Clients increasingly refuse to pay for [research](#). They [won't pay](#) for new/first-year graduates or shoddy work. Clients demand more value and efficiency. They want more work for less money, in less time.

Here's what's frightening.

According to an Altman Weil [survey](#), 94 percent of respondents stated they knew these changes were required, that clients expected them. Yet, only 49 percent stated they've changed their approach.

Can you see that?

The majority of attorney/firms see the writing on the wall, but more than half refuse to change. Jaw-dropping, isn't it?

Trend #2: Digital transformation is here

[Greg Verdino](#) describes digital transformation as:

"Digital transformation closes the gap between what digital customers already expect and what analog businesses actually deliver."

According to a [recent survey](#) by PwC, 80 percent of law firms believe digital transformation is essential for future survival/success. You see where I'm going with this, right?

That's right.

A startling 77 percent of firms haven't bothered to begin making the transition. We're in an "[Innovate or Die](#)" cycle yet most firms can't be bothered to give clients what they want. Again, client expectations have shifted dramatically changing the way business is done in the legal industry.

Today your clients expect an "always-on" availability from you *and* the attorneys handling their matters. They expect you to be available via phone, text, email, video conferencing, live chat and even [Whatsapp](#). The expectation is clear – if they're using it, you should be too.

Trend #3: Virtual and remote law firms grow

Virtual law firms are growing in prominence as the remote work culture becomes mainstream. Savvy law firms are using the virtual model to create innovative firm models that work with, rather than against, client expectations.

They're using a virtual law firm to:

1. **Create multiple brands**, all housed under the same (digital) roof. Use alternate brands to test. Test your business models, services, messaging, pricing and fee structure – anything you want – without hurting your brick and mortar firm. Significantly less risk if it fails.
1. **Find what works, quickly**. Using DBAs, websites and microsites you can create multiple versions of your virtual law firm. You can test ideas against each other. Competing with yourself means you're able to answer questions your peers haven't even begun to ask. Which clients spend the most money and why? Which service areas produce the greatest amount of profit? What kind of work creates the greatest amount of job/work satisfaction?
1. **Increase hiring effectiveness**. Dr. Bradford Smart, the author of [Topgrading](#), found that a miss-hire costs businesses [27 times an employee's salary](#). A comprehensive hiring process is a great idea. Hiring attorneys on a freelance basis to test their abilities before you hire them, even better. Hiring, maintenance, and management costs are reduced. Severance, opportunity, and disruption costs can be reduced or eliminated.
1. **Reduce operating expenses**. Office space and associate salaries take up as much as 2/3rds of your revenue. With a virtual law firm, you're able to dictate when and why you take on major expenses. Your performance data will tell you whether it's worth it (or not). Grow rapidly (or slowly) scaling up or down as demand and performance dictate.

Trend #4: Cyber attacks against law firms are on the rise

[Several sources state](#) that law firms are now prime candidates for attack. In fact, 80 percent of the largest law firms have been [victims of a data breach](#). This

trickles down the chain to smaller, less protected firms. [The risks to law firms are severe.](#)

Here's why.

- **Law firms have valuable data.**
- In 2016, cybercriminals [stole](#) confidential M&A data from a bevy of firms including Cravath Swaine & Moore LLP and Weil Gotshal & Manges LLP. Attackers were able to sell the data for \$4 million. These firms haven't fully recovered from the attack.
- **Law firms have money.** Cybercriminals [stole a large six-figure sum](#) from a firm's trust account. They used a combination of malware and social engineering to extract passwords from the firm's bookkeeper. It goes without saying that this increased their firm's liability. It also means business development/acquiring new clients is a tough uphill climb moving forward. When trust is broken, it's unlikely to return.
- **Law firms are unprotected and unprepared.** According to the 2017 Logicforce [Law Firm Cyber Security Scorecard](#), 62 percent of firms don't have a dedicated IT professional. Less than 33 percent have cybersecurity training programs and only 41 percent of firms have formally documented security policies. Firms are attractive targets because they don't have the policies and protocols needed to defend their firm.

The importance of these trends continues to grow. These are actionable, real-world trends that affect your firm's ability to survive and grow in a competitive environment.

Which trends matter most?

There are tectonic shifts taking place in the legal industry. Traditional models are losing ground as innovative models are continuing to grow in prominence.

Most firms are aware of these changes.

But as we've seen from the data, they don't care enough to make the appropriate changes needed for their firms to survive. Some of these shifts are more obvious, while others are progressing quietly behind the scenes. It's business as usual for most firms. Not so for clients.

Are you ready?

You can be. As we've seen, knowledge gives you the tools and resources you need to future-proof your firm. Take the small steps you need to grow and you'll have what you need to stay ahead of the coming shifts in the legal industry.

