

FEBRUARY 2019

LPM

LEGAL PRACTICE MANAGEMENT



Landmark
INFORMATION

Pulsant

Quiss
Excellence through experience

the answer company™
THOMSON REUTERS®

tikit

tmgroup
we make time for you

LEGAL IT
LANDSCAPES 2019

BUSINESS INFORMATION FOR EVERYONE IN PRACTICE MANAGEMENT



Excellence through experience



Providing IT and telephony solutions to law firms for 30 years



- Bespoke managed services
- Extensive legal software knowledge
- On-premise, cloud and hybrid solutions
- Microsoft cloud platform specialists
- GDPR and data security
- Hosted VoIP and Unified Communications

TELEPHONE 0333 222 4334

EMAIL enquiries@quiss.co.uk

www.quiss.co.uk

QUISS CAN HELP

 **works**
Bespoke managed services

 **cloud**
Hosting platform solutions

 **voice**
Converged telephony

 **share**
Business productivity solutions

A LITL ENLIGHTENMENT

Every year we try to outdo ourselves with this report. Legal IT landscapes 2019 is no different. This year's report continues to investigate how SME law firms think about technology on a competitiveness versus efficiency scale. But that's not all, LPM has dived deep into learnings over three consecutive years of research into the legal IT landscape to bring you trend watches. Find these on p16 and p30 for automation and smart working respectively.

And there's more. We've decided to break it down for you further – we've now segregated the market, in a useful, non-discriminatory way, to look at how specific revenue bands' views differ from each other. The SME legal market is vast, so we hope this gives you a better picture of where your firm fits alongside our other respondents. Responses have been separated into 'under £7.5m' and '£7.5m-£20m' throughout.

We've been working closely with our friends at ILTA to help advance legal technology in the sector. A big thank you to them, our sponsors and everyone who filled out the survey – this truly would not have been possible without you. This year across LPM and **Briefing** we raised over £2,000 for Shelter.

Kayli Olson, editor
@LPMmag | kaylio@lpmmag.co.uk

THE REPORT

05 The big questions: How competitive and efficient is this year's tech stack?

08 The driver's seat: How can SME firms compete in an ever-changing market?

14 Automation relations: What's new with automation and AI adoption?

22 Smart work: Everything SMEs should know for a smarter-working firm

About us

LPM magazine is published by Burlington Media. Burlington is a company focused solely on people in legal business services and management – whatever size or type of legal services provider they work for.

We run LinkedIn groups with thousands of members, across several areas, from legal IT to legal process outsourcing. Find our LPM group at bit.ly/lpmgroup.

Our sister brand LSN's website is where you can find news, views and resources from the established legal news providers

and hundreds of suppliers to the legal industry, all rolled into one useful information feed:

www.lsn.co.uk

We also run the popular **Legal Practice Management conferences**, tailored specifically for anyone working in management in SME law firms and ABSs.

Sign up for our weekly practice management e-newsletters, which bring you the best of our practice management content and our social feeds, every week: www.lsn.co.uk/subscribe/ezone

Contact us



Rupert Collins-White is editor-in-chief of LPM magazine. He has written about the legal sector since 2005, before which he endured years as an IT hack until he tunneled out with a plastic fork.
rupertw@lpmmag.co.uk



Kayli Olson is LPM's editor. A Kingston graduate, she has spent most of her time in the UK picking up British slang, playing board games, drinking bitter and showing us 'how it's done'.
kaylio@lpmmag.co.uk



Emily Nash is LPM's client services contact – and resident musician. Want to advertise in LPM magazine or feature in our awesome advertorial section? Then get in touch with her.
emilyn@lpmmag.co.uk



0800 014 2445 or LPM@LPMmag.CO.UK
Burlington Media Group, 20 Mortlake High Street, London SW14 8JN



www.lpmmag.co.uk
Find the digital version of the magazine, reports, supplements, blogs, events and more!



@LPMmag
We're listening, and we also have plenty to say. We love Twitter – and if you love Twitter too, share your thoughts with us

In partnership with





Intelliworks

● AN OCHRESOFT PRODUCT

Transformative workflows embedded within our case management software

Created and managed by Lawyers for Lawyers.

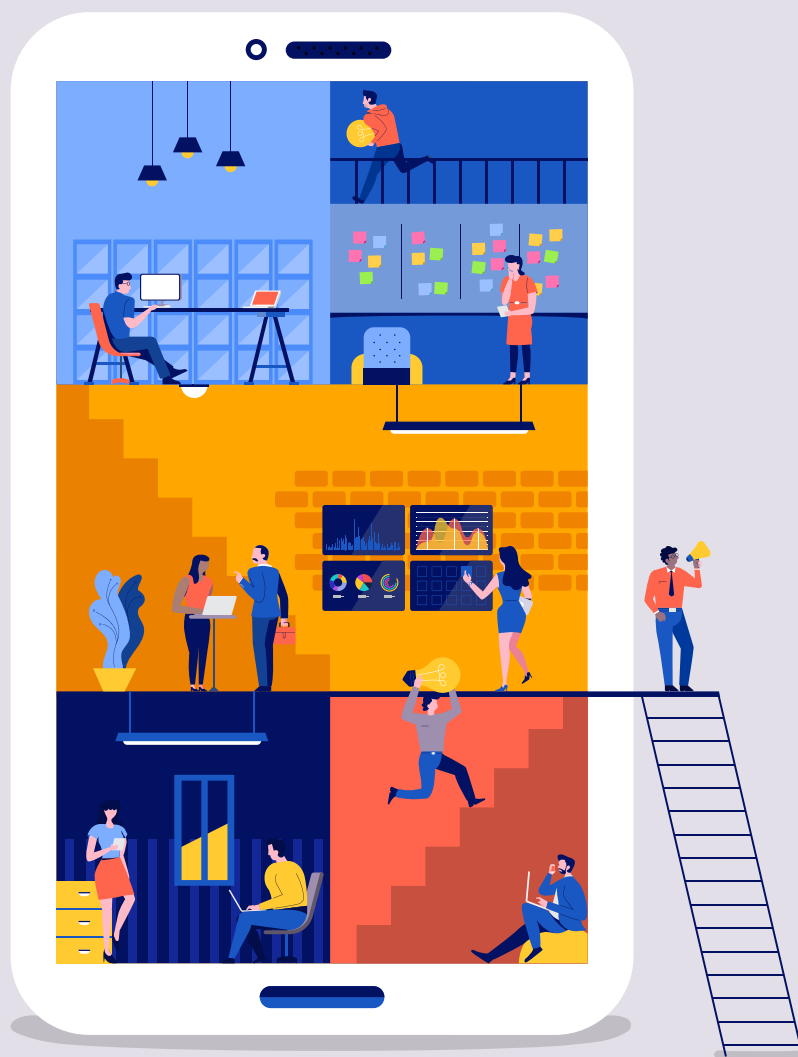
Ochresoft Intelliworks software is content-rich, scalable, cost-effective and provides compliance best practice with ready-made workflows for conveyancers. It's comprehensive so nothing is forgotten and takes care of all of the details in each file helping to make you more efficient and grow your business.

Our technical team can have you up and running within a matter of weeks with flexible pay-by-case pricing, onsite training by ex-practitioners and free smart updates.

**To find out more from our team of experts contact us on
03300 366 700 or email enquiries@ochresoft.com**

ochresoft.com

Ochresoft
● ● LANDMARK INFORMATION



THE BIG QUESTIONS

Our 'competitiveness v efficiency' chart (pp6-7) shows a steady increase in the importance of document production and management tech – it's sliding up the efficiency scale. This is a shift from last year when people ranked it higher for competitiveness.

Client portals makes a big leap for both efficiency and competitiveness potential, landing in the top three technologies for 2019, according to respondents. Keep in mind that our competitiveness and efficiency rankings are solely based on what comes top of mind to respondents – we don't guide their 'picks' in any way.

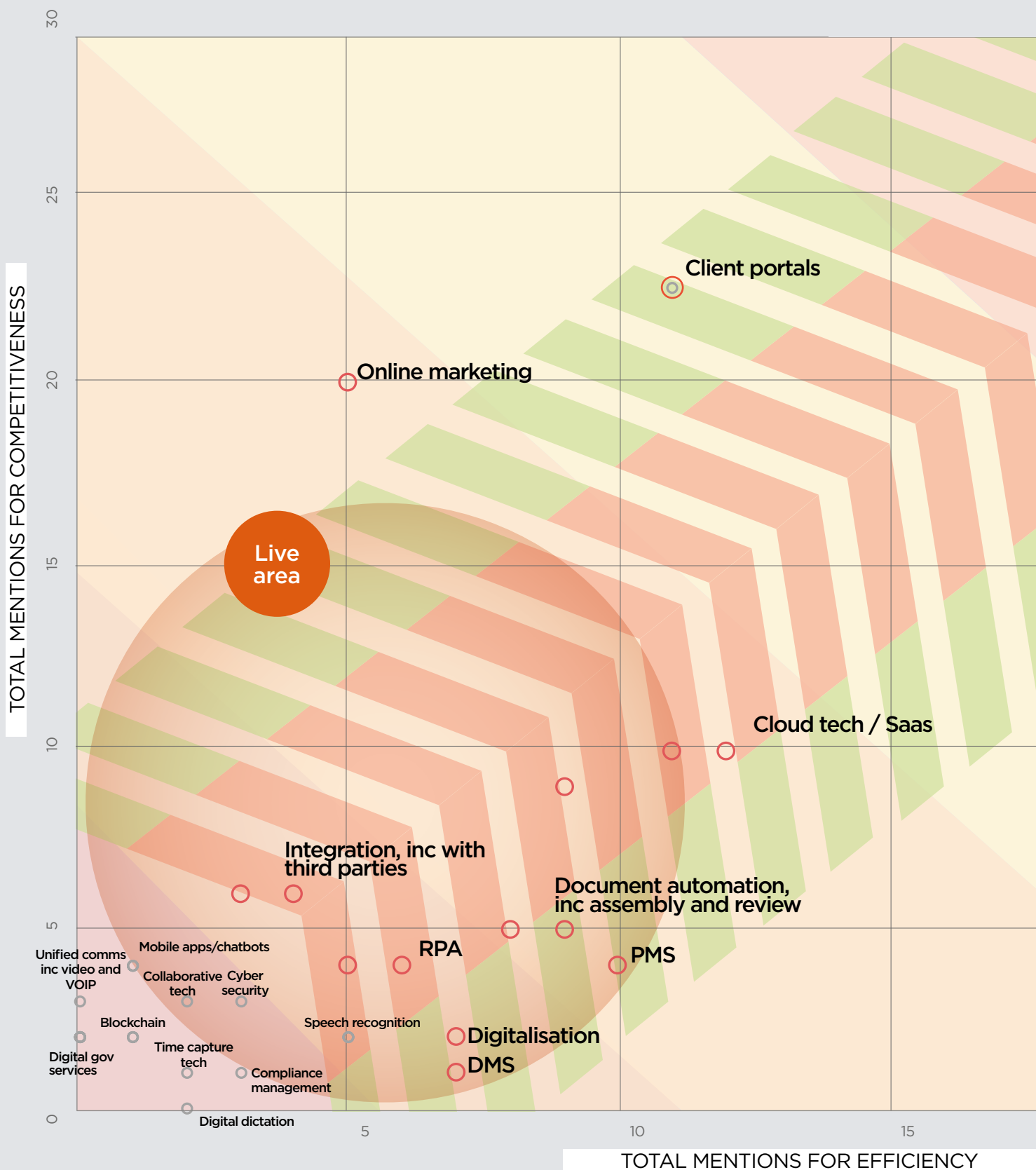
Artificial intelligence (AI) and case management technology hold their places in the top-right 'super' quadrant – with all of the buzz still in the market around AI

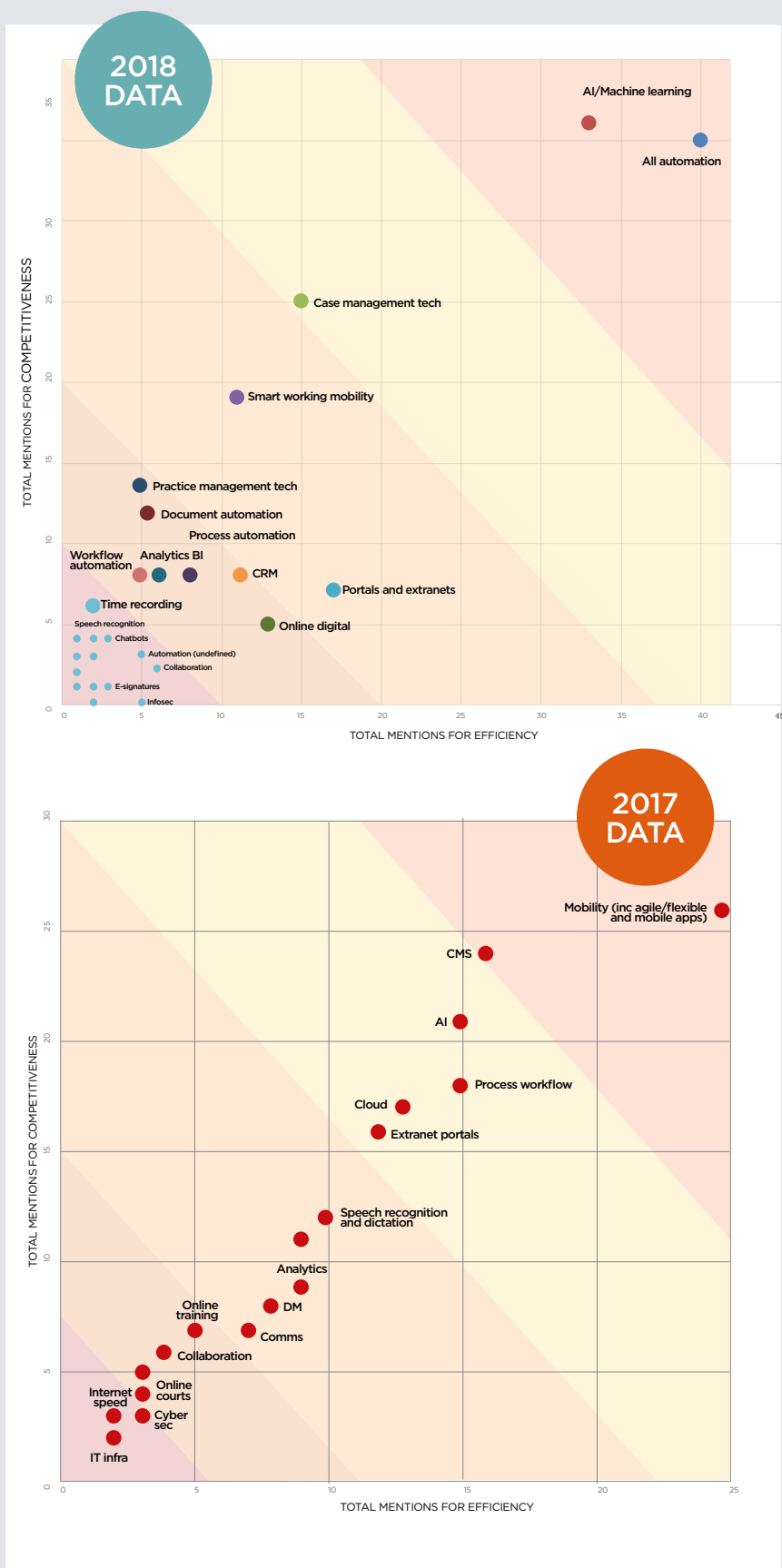
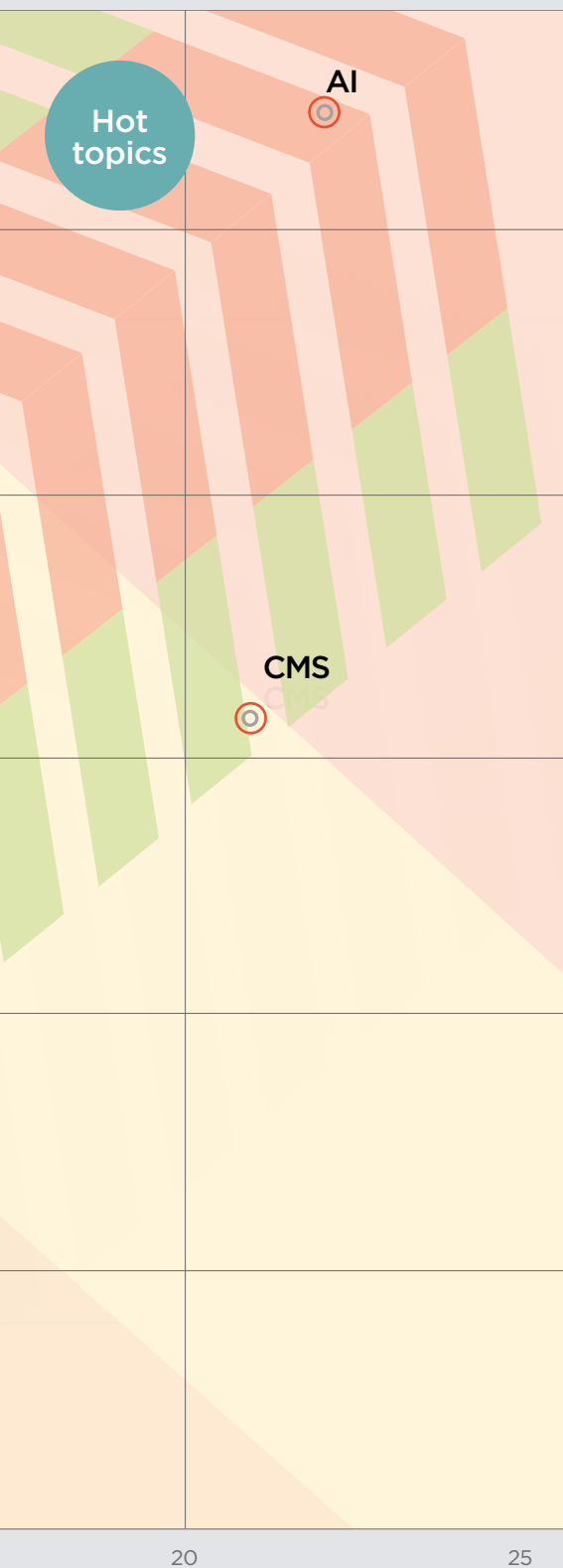
and automation, it's hard to see them coming down in the world any time soon.

It's good to see cybersecurity making some slight movement through the bundle of technologies stuck in the bottom-left quadrant. Although it still isn't prominent enough to break into our 'live area'. Technologies that find themselves here are those that SME firms may be able to leverage the most – things like client relationship management that is holding strong. Automation also falls down to this area in 2019, perhaps because perceptions of its hype have died down, and firms can truly put it to good work in their firms.

And over the last three years 'mobility' has continued to moved its way down from the top-right quadrant – now nestled in the live area. **LPM**

Which technologies bring the best combination of competitiveness and efficiency to law firms?







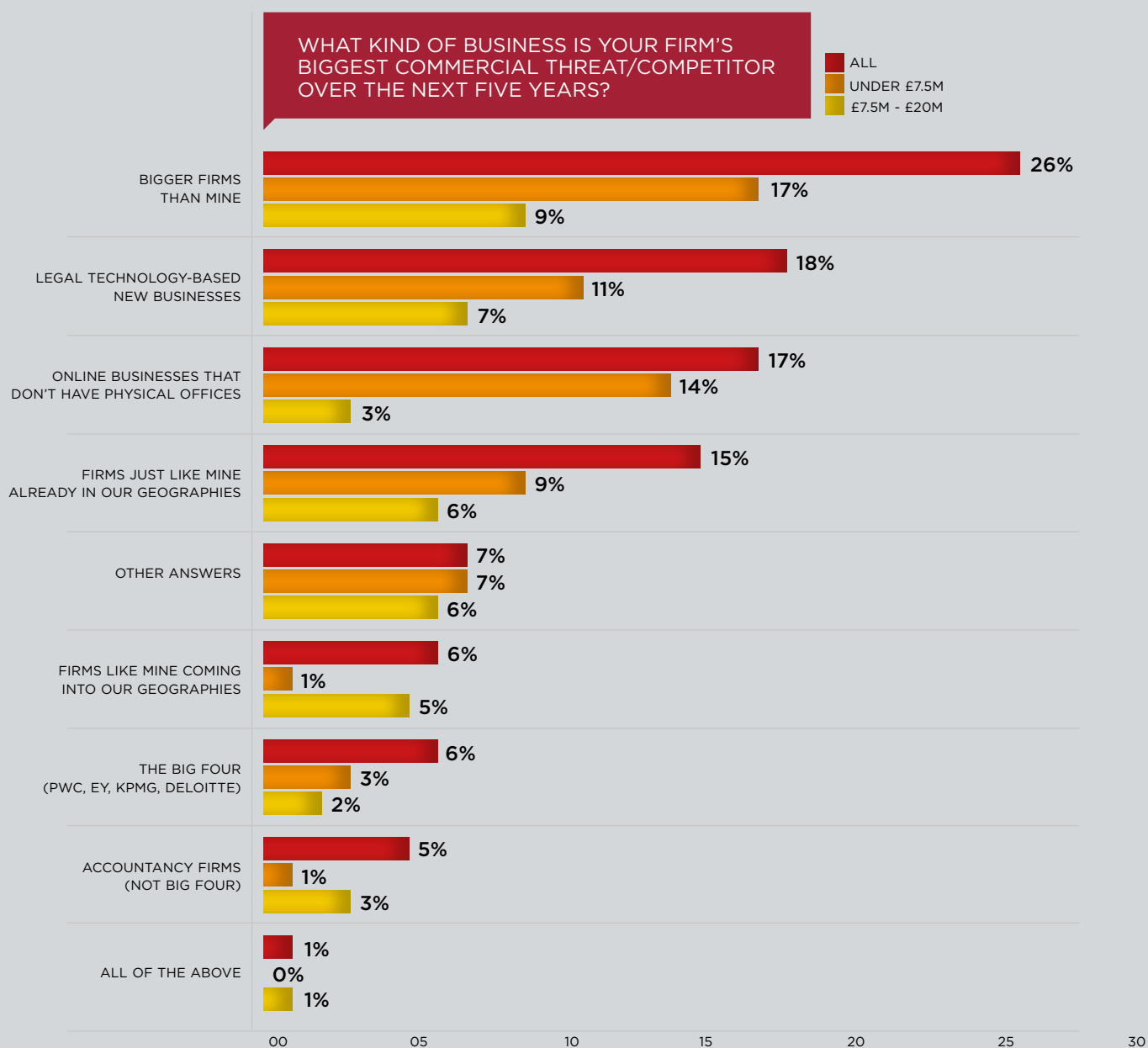
THE DRIVER'S SEAT

The results are in – what does the SME legal market think about their latest competitive threats? And what are firms going to do about them? Interestingly, ‘bigger firms than mine’ remains the top answer (26% of overall respondents) when asked what kind of business would be the biggest commercial threat/competition over the next five years. In LPM Legal IT landscapes 2018 that answer was tied for first place with ‘firms like mine who work in the same geographies’ at 32%. ‘Legal technology-

based new businesses’ and ‘online businesses that don’t have physical offices’ move their way to the top three for 2019 at 18% and 17% respectively.

Why is this a big deal? Well, it is your marketplace after all – and it doesn’t just include the law firm down the road or those top-tier giants. The market is maturing in a way that means SME firms will have to differentiate, innovate and improve their services to remain successful.

If they haven’t already, these NewLaw-style law firms will shape the way you think



2018 DATA

What kind of business is your firm's biggest commercial threat/competitor over the next five years?

Firms just like mine who work in the same geographies

32%

Bigger firms than mine

32%

Non-legal/non-traditional businesses

18%

Online businesses that don't have physical offices

13%

Something else (please tell us)

6%

“I think smaller accountancy firms than the Big Four are our biggest threat because they’ll come with a slightly different mindset.”

Ian Bond, director, Talbots Law

about your business and how it functions.

Ian Burrell, IT director at Ellisons, says: “Online businesses and legal tech-based new businesses can be seen as threats to firms that haven’t modernised and recognised that clients’ service requirements may have changed.”

Some SME firms may already be nicely placed in terms of providing a modern approach to legal services. But for those encroaching on your area of work or client base, the threat may mean something different.

Julia Warrilow, finance and operations director at Thursfields, says her firm is not competitive on size, but it is on quality.

“We want to focus on building long-lasting relationships based on the quality of

service that clients are receiving, and providing experts who are known for their specialisms. This means legal tech-based new businesses and firms without physical offices are not as much of a threat as similar firms, as they offer a different type of service. Their model is one based on high-volume, low-cost production like churn work.”

Ian Bond, director, Talbots Law agrees that the size of the firm isn’t the principal marker of competition. “It’s still the same black-letter law for everyone.”

But Bond recognises that there are other factors in play – although it only caught the eye of 5% of respondents this year, ‘accountancy firms (not Big Four)’ are perhaps the threat hidden in the shadows.

“I think smaller accountancy firms than the Big Four are our biggest threat because they’ll come with a slightly different mindset. And they have pretty sticky relationships with clients, as they will already be doing annual reviews for them. That’s compared to law firms, which people only go to when something bad has happened.”

But, of course, there is something to be learned from each area of competition.

ROUGHLY WHAT PERCENTAGE OF YOUR FIRM’S REVENUE IS INVESTED IN TECH?

AVERAGE
6%

HOW MUCH OF THAT IT BUDGET GETS SPENT ON ‘NEW’ THINGS, LIKE TRYING OUT SOFTWARE (OR DEVICES), CREATING SOLUTIONS OR APPS OR CLIENT-FACING SYSTEMS?

AVERAGE
12%

BRICK BY BRICK



Respondents acknowledge the threat posed by new entrants to the legal sector who focus on service delivery via technology – and the data demonstrates that law firms recognise the potential in technology-driven innovation.

But with the budget allocated to the development of non-BAU technology at under 0.5%, firms are not investing in combating the competitive pressure.

It’s a given that smaller firms will face competitive pressure from larger law firms. IT alone does not create that pressure – it enhances it. Larger firms are doing more to embrace the competitive advantage technology can bring, but that should be advantageous for the legal sector in its entirety when it comes to mounting a defence against new entrants.

Take a brief look at Amazon, a business that few of us would dispute is a leader in innovation. Amazon launched in 1995 as an online bookshop. With the exception of Borders, and Barnes and Noble, the US book-retailing sector was largely made up of independents, many of which were already struggling to make a profit. The barriers to entry were relatively low and the model of book retailing had changed little since the US’s oldest bookshop, Moravian, opened in 1745.

The pace of technological innovation is exponential and it will continue to bring changes

that few of us can even dream of. However, to state the obvious, the legal services sector is very different from retail. The sector is not as fragmented – the UK’s top 100 law firms bill around 75% of all fee income and, despite continuing pressure on margin, the sector is largely profitable. Unlike bookselling, the barriers to entry are high and delivering growth takes time. Amazon was set up in a garage with \$10,000 and five years later Jeff Bezos was Time magazine’s personality of the year. By comparison, relatively recent entrant to the UK legal sector Axiom has taken almost 20 years to reach 2,000 employees globally.

The best defence against the entry of legal technology-based new businesses is larger law firms that are flourishing and making great use of technology. They collectively mount a significant barrier to entry but smaller law firms must learn from their approach and, in the interim, focus on delivering incremental gains by better utilising the technology at their disposal across everything they do.

For those who question whether the smaller law firm has a future, Moravian now occupies 15,000 sq ft of retail space. Their latest competitive threat is Amazon opening bricks and mortar stores! **LPM**

www.tmggroup.co.uk
Emma Vigus, chief commercial officer,
tmgroup



SPONSOR COMMENT



tikit

Efficient Profitable Competitive Agile

Dynamic and ambitious law firms choose Tikit to help them achieve these common goals.

Over 600 firms are already enjoying the benefits of the most functionally rich PMS/ CMS/ CRM solution available in the legal market.

It's time you joined them.



Practice and case
management

www.tikit.com

hello@tikit.com

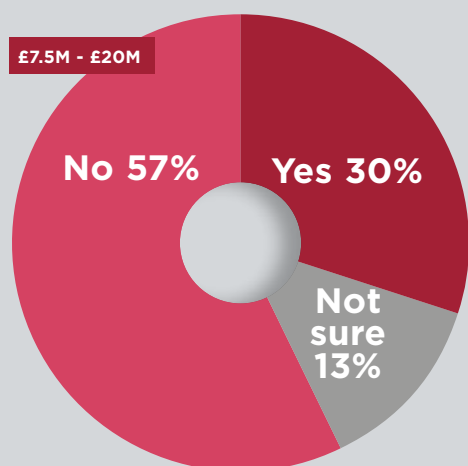
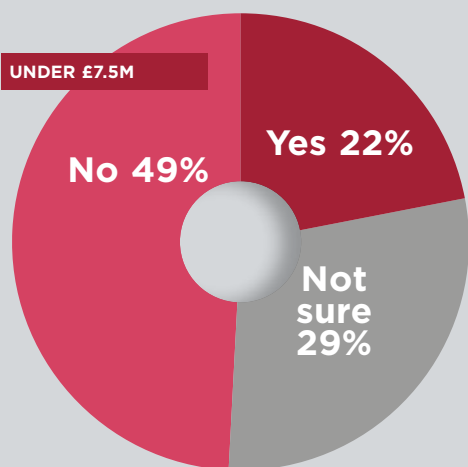
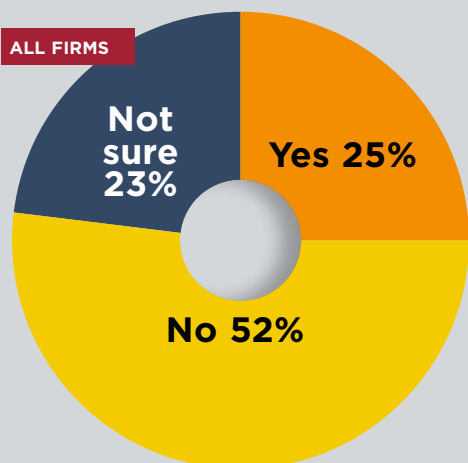
Follow us: Tikit



@TikitP4W



IS THE AMOUNT THE FIRM DEVOTES TO NEW OR NON-BUSINESS AS USUAL TECHNOLOGY ENOUGH?



WHAT CAN YOUR IT BUDGET GET YOU?

WHAT TOP-TIER FIRMS CAN GET

Car= £1.5m
Jet= £20m

	IT BUDGET	NON-BAU
TOP 50 UK LAW FIRMS		
TOP 5 UK LAW FIRMS		

Alan Barrett, head of IT at TWM Solicitors, says: "They are all threats – it's going to attack each element of our matrix organisation. Big teams of people, online businesses and legal tech-based new businesses are all very impersonal. So what we need to do in our businesses is strike a balance between automation and being personable."

The smaller half of the SME market (among our respondents) doesn't differ greatly from the bigger half on where the danger lies. However, accountancy firms, both Big Four and other, make a stronger impression on the larger firms. The smaller firms stick to law firm competition as their main threat factor for the next five years.

ALL ABOUT THE MONEY

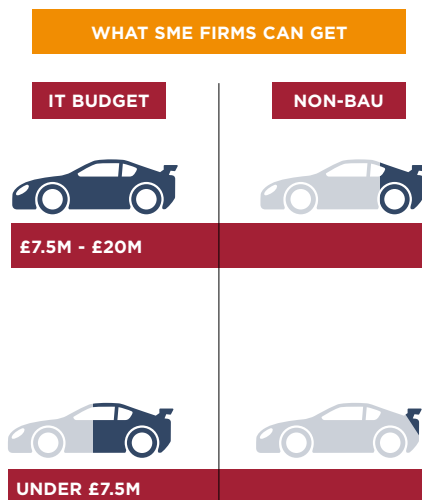
There's something most of the market can agree on: the amount of spend a firm devotes to new or non-business as usual (BAU) technology is not enough – according to 52% of respondents. A further 23% said they were unsure, which can mean a lot of things, but certainty is not one of them. Only a quarter (25%) said their firm spends enough on non-BAU tech.

If you look at top-tier firms – the ones you listed as your biggest threat – they have the facility to work on more non-BAU tech as part of their overall IT budget but they may also have a dedicated innovation/R&D budget (45% of respondents said this was so in *Briefing Legal IT landscapes 2019*).

An SME firm would only be able to buy a Ferrari using the money from their IT budget, whereas a top-tier firm could spend money on a jet just to see if it would be an interesting revenue stream.

But of course, this is just for comparison's sake – what it really means is that SME firms have to be versatile and approach IT strategy in a different way to compete.

Burrell says he wants to continue to modernise Ellisons'



offering – there are a lot of new technology advances that can revolutionise the way a law firm operates, from the equipment and hardware used, to maintenance and so on.

“All too often I’ve seen that a legal firm will pay no attention to its IT infrastructure, and I would recommend that time is spent investigating new technologies that can help enhance customer offerings, as we have done here at Ellisons.”

Barrett says TWM is large enough to be experienced but small enough to be agile in how it delivers its IT. “We split our budget in two – there’s the business as usual side and then the project proposal budget.”

SME firms often have to really justify spend on IT projects outside of BAU. There’s a saying in architecture, explains Barrett, that very few architects go back to look at their builds – they’re unaware of those leaks in the ceiling, and so on. SME firms can’t afford to make the same mistake.

“I’m now living my IT decisions from five, 10 years ago. That longevity gives you insight into how to progress, and not make the same mistakes.”

Warrilow admits that IT was not seen as critical to the firm’s business plan in the past. “A few years ago, asking for £500 would have been difficult whereas now it’s easier to ask for something that costs thousands of pounds.

“Directors and management understand the importance of IT but also the legal sector as a whole has matured.”

But, she adds, it’s ultimately about what adds value to the client experience.

Bond agrees: “Today, it’s not about how well you do law but how well you do customer service. You could be the best lawyer but if you’re absolutely rubbish at people skills and your firm doesn’t engage with the client and make it easy for them to buy then you won’t get work.

“That’s why the focus isn’t on developing the law but instead on a client’s journey.” **LPM**

AUTO-RISK REDUCTION



**SPONSOR
COMMENT**

Lawyers in small firms are clocking a new competitive force. Last year, the biggest threats were identified as coming from ‘firms just like mine’, as well as this year’s highest-placed answer ‘bigger firms than mine’. But this year’s second and joint-third biggest threats are firms that use technology to deliver legal services. These challengers implement more efficient processes, or deliver legal services online without the overheads associated with fixed premises. If we see these two responses as meaning ‘firms that harness technology effectively’, it shoots into the top spot as the biggest threat by a long way.

What do these challenger firms do differently?

- **Maximise online potential:** they use the internet not only to generate business, but also to provide a great customer experience. Quality and personal relationships are the USPs of many small law firms. That doesn’t need to be lost by using tech tools. Rather, effective use of technology can help a small business be far more responsive than it could otherwise be, and enable greater collaboration – two key factors in increasing client satisfaction.

- **Technology to increase quality:** they maximise the use of tools that will make a difference to quality and efficiency. The respondents to the survey recognised the importance of automation here. Although they judged themselves to be automating on average 36% of their legal work, they thought 68% could be automated using technologies currently on the market.

Various factors account for this gap between reality and aspiration, including the budget available to spend on solutions, the time and space to research what products will meet the firm’s needs, and ensuring successful implementation and adoption. In addition, some firms fear automation, believing it could threaten their work or even dumb down their service. And some see it as a tool limited to finance, rather than capable of bringing practice-wide benefits. But these attitudes appear to be changing.

In an interesting shift from previous years, respondents are now taking a different view: automation is helping them manage risk and compliance. And that must be right. A firm only automates its best documents – ensuring that risks are highlighted and drafting options are available for different situations. The risk of someone making a mistake using a well setup automated system that guides the user through multiple alternatives should be far lower than for a user who starts with a single standard template. The risk management benefits also deepen over time as the automation beds in. Templates become increasingly sophisticated, leveraging the collective experience of the firm’s fee earners to produce accurate, robust and tailored documents in a fraction of the time. **LPM**

www.thomsonreuters.com

Kirsten Maslen, head of small law firms and academic, Thomson Reuters





AUTOMATION RELATIONS

Automation continues to strengthen its grip on SME law firm efficiency, and the top three areas respondents think could benefit from more automation haven't changed since last year's report.

Eddie Harrison, head of business optimisation at Lowell Solicitors, says: "There are a multitude of solutions out there of varying size and price that will suit just about any budget. Fintech and legal tech are becoming huge industries, with numerous startups and entrepreneurs looking for partners to test and trial their solutions.

"SME law firms should get out there and take calculated risks to bring about process changes and efficiencies. Even the smallest of gains can have a huge impact when scaled up, especially when relieving staff of some rather boring and repetitive tasks."

Thursfields is just at the start of its automation journey – it's working with a consultant to help

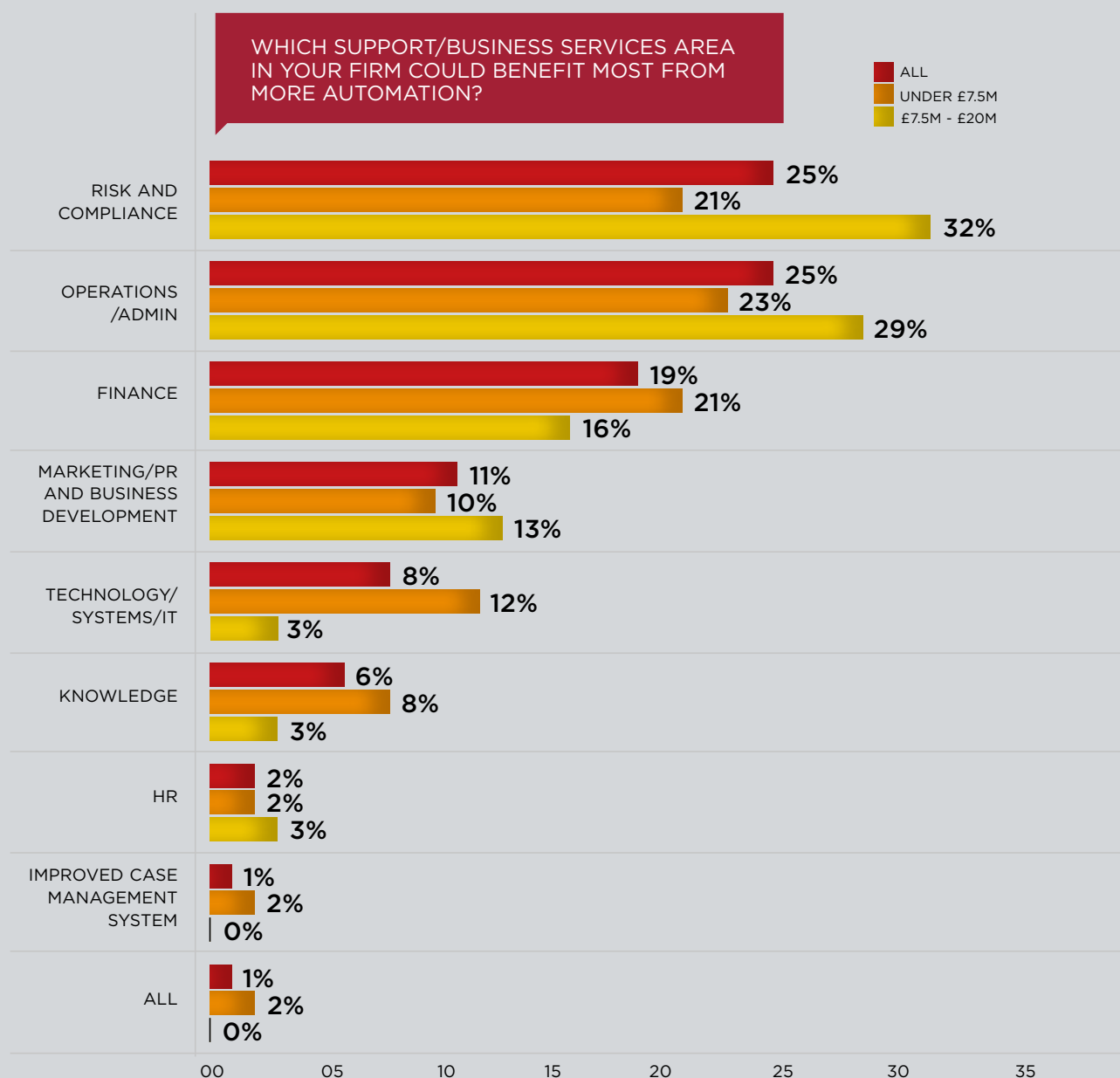
automate and improve the firm's processes, says Warrilow.

At Ellisons, Burrell says the firm is continuously looking at ways its can improve its infrastructure and has found that using cloud services has helped to ease what can normally be a lengthy process.

He says the firm has identified a number of areas such as voice dictation and document management, for example, where it could automate that service both internally and for clients.

"You've got to challenge yourself if you want to keep pace and be competitive, while maintaining the personal service clients are used to. And automation is going to play a part in that."

But where is it being used – and where could it be used more effectively? Risk and compliance and operations/admin tie for first place (each mentioned by 25%) followed by finance (19%). Without getting granular, it's easy to see why SME firms would list



these as top areas for the technology to add efficiency.

Following the General Data Protection Regulation, among other things, firms have been working to improve their risk and compliance processes. And operations/admin and finance have both been strong contenders for automation for some time.

Harrison says Lowell's primary goal is to enable staff to focus on tasks that truly require human intervention, automating anything that doesn't.

"We're always asking ourselves what more we can do with the resources we have, and how we can deliver more without compromising on quality. So it'll come as no surprise that two of our main projects this year are focused on robotic process automation (RPA) and further development of our optical character recognition (OCR) systems."

He says RPA will enable the firm to process low level, repetitive activities quickly and efficiently, but crucially, in far greater numbers than a human could, and with a

much lower – "almost zero" – error rate.

This will allow staff to focus on value-add activities, which require that human touch and intervention, and will deliver greater cost and efficiency savings across the business, Harrison explains. OCR is an enabler for this RPA technology.

"In addition, we are hoping to trial both cognitive and non-cognitive chatbots, and further automation of form and file production."

But that may be at the more extreme end of adoption for automation and more 'intelligent'-based software.

Barrett at TWM says: "In terms of adopting automation from a technical point of view, I want to be careful that it doesn't depersonalise."

"Marketing and things like dynamic CRM could really improve how we engage with people and how they engage with us. This is also part of a bigger project to deliver a better practice management solution," says Barrett.



TREND WATCH

The top three areas that could benefit most from more automation haven't changed since 2018. However, this year's data gets into the granularities of the SME legal market by revenue.

Overall our £7.5m-£20m band see 'risk and compliance', and 'operations/admin' as top pickings. Whereas the under £1m-£7.5m band see the most benefit largely in 'finance'.

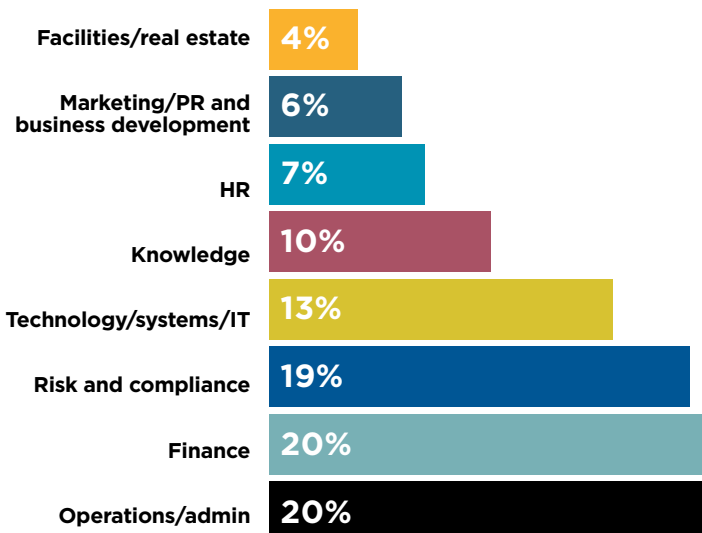
Other interesting things to take from 2018's data is that 'marketing/PR and business development' has significantly climbed the list - up from 6% to 11% in this year's results (that's from second-to-last to fourth place).

Developments in technical capabilities and perceptions of client relationship management (CRM) systems match this result. In the cloud chart on p24 CRM may not be the most used in the cloud compared to our other contenders but its position is strong - with 60% of respondents putting it mainly or fully in the cloud. This is also a jump up from last year's Legal IT landscapes results that put it near the bottom for likely cloud adoption, at 53% mainly or fully in the cloud. And on our 'efficiency v competitiveness' chart, it's been making its way further up the efficiency scale (pp6-7).

In 2017 we didn't ask this question but a quick view at perceptions around use of AI and machine learning are interesting to compare - especially concerning this year's 'application of AI' chart on p19. It would suggest that pipeline for SME firms adopting AI will continue to fill.

2018 DATA

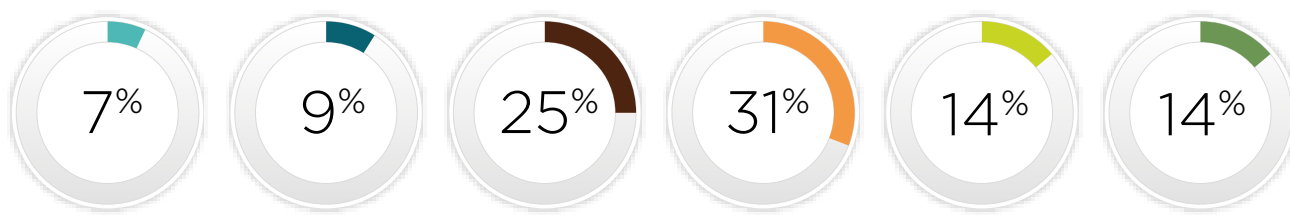
Which support/business services area in your firm could benefit most from more automation?



2017 DATA

Over what timescale do you think your firm will be using some form of AI technology or machine learning technology?

- Already using
- Within the next 12 months
- Within the next two years
- Within five years
- Within 10 years
- Never





ONE-DAY CONFERENCE

THE ONLY EVENT FOR LEGAL PRACTICE MANAGERS

Legal Practice Management conferences are the must-attend events for everyone in practice management from SME law firms

www.lpmmag.co.uk/conference

LPM WEST 24.04.19

DoubleTree by Hilton
Bristol City Centre
Redcliffe Way
Bristol, BS1 6NJ

LPM NORTH 15.05.19

The Met Hotel
King Street
Leeds, LS1 2HQ

2019



The Institute of
Legal Finance
& Management

LPM

PRACTICE EXCELLENCE AWARDS



CATEGORY ONE
PEOPLE AND ENGAGEMENT



CATEGORY TWO
SERVICE DELIVERY
EFFICIENCY/INNOVATION

ENTER NOW

www.lpmmag.co.uk/awards2019

EMAIL: KAYLIO@LPMMA.G.CO.UK

ON A SCALE
OF 0-10, HOW
AUTOMATED IS
LEGAL WORK IN
YOUR FIRM?

AVERAGE
3.6%

ON A SCALE OF 0-10,
HOW AUTOMATED DO
YOU THINK LEGAL WORK
COULD BE IN YOUR FIRM
WITH THE TECHNOLOGIES
CURRENTLY ON THE
MARKET?

AVERAGE
6.8%

Though perceptions about automation and its application have matured in the market – along with other things, conversations need to progress to make any difference for a firm.

The conversations are necessary, yes, it means that firms are exploring different areas of automation and understanding where it may be applied to their futures. But it seems there's a disconnect still, with no movement from last year's results – the average automated work in the firm is currently 3.6% compared with where it could be using technology currently available 6.8%. There has been no progress to close the gap by the market as a whole

So, there is a definite appetite in the market to improve services. But perhaps, going back to the thoughts and results about IT spend, SME law firms may struggle to adopt automation to its fullest?

At the moment, firms' IT spend on non-BAU tech isn't enough (said 52% of overall respondents). Better collaboration with legal tech companies and software providers to progress conversations into action may be required. **LPM**

SAAS SUPPORT



recently participated in a roundtable with a number of property lawyers and a key theme was technology adoption and how it may help improve processes and workflow for small to medium-sized firms.

There was agreement around the table that IT, including automation, will gain greater momentum as more and more firms start to identify ways to free-up fee earners' time by automating as many 'administrative' processes as possible.

The findings of the Legal IT landscapes survey also echo this and show that the legal industry is now open to embracing new technologies to improve service delivery via automation innovations, as well as to create a new generation of innovative client-facing products.

For small to medium firms, however, a potential obstacle for the integration of new technologies may well be investment and resources. As I see it, to overcome this issue, law firms must look towards IT vendors to support any digital transformation initiatives, rather than attempt to turn their own practice into a software house.

Accessing Software as a Service (SaaS) and hosted data solutions to evolve intrinsic functions in practice is a more likely approach. By accessing hosted solutions, lawyers can continue concentrating on their profession and not be diverted towards building systems – it's a no-win situation to spend time specifying and procuring a huge toolkit, only to then have to build it in-house.

Relying on experts – those who are already working in the industry, have experience of legal requirements and take direct feedback from customers to shape solutions – is the way forward.

For us, our case management workflow technology is already helping conveyancers automate a number of processes, such as standardised form filling, plus it automatically updates the legal library and process when regulations change. Automation is increasing, and it shouldn't be law firms needing to manage this in-house – this is where specialist third-parties come into play.

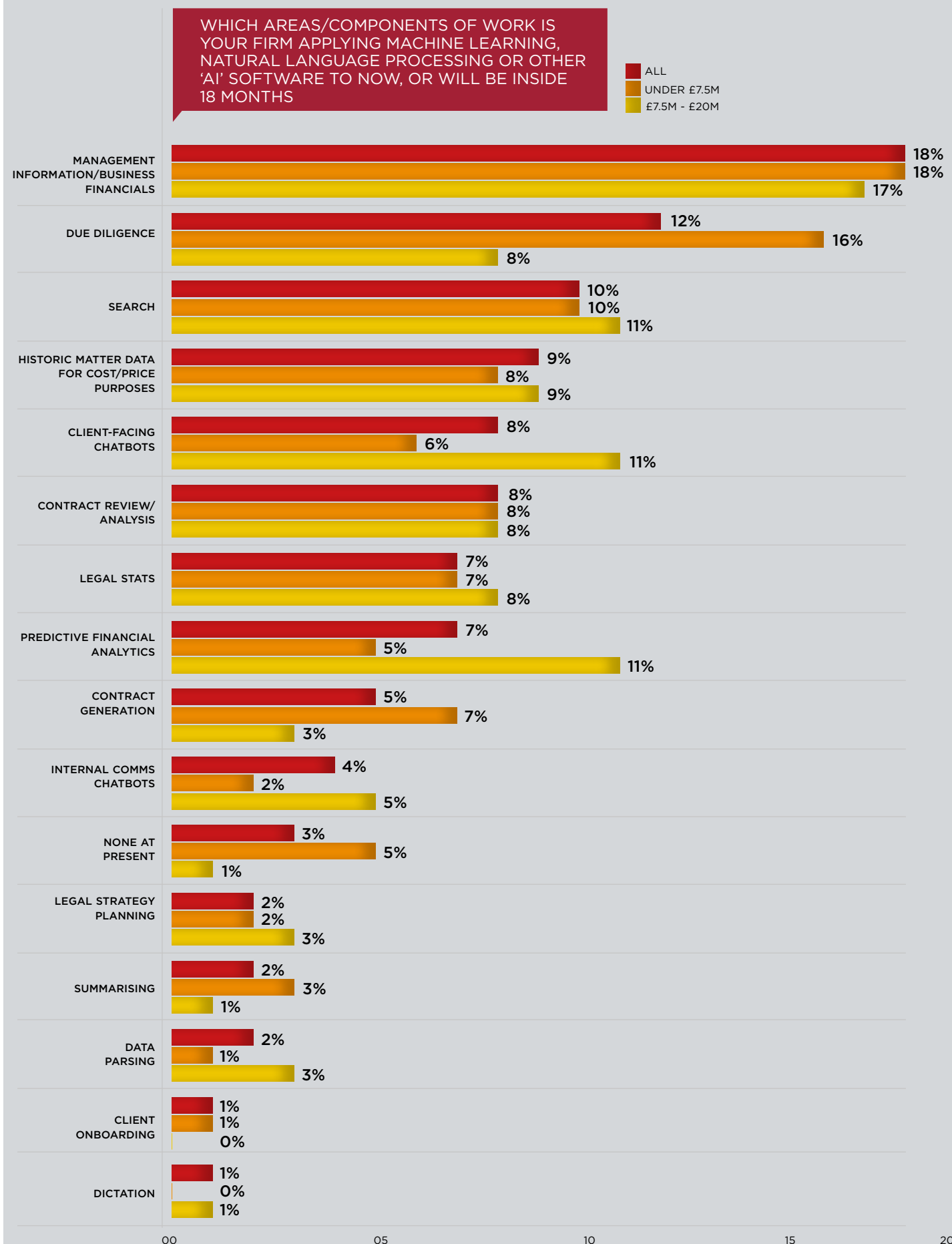
By augmenting daily tasks, legal professionals will see greater productivity and can ultimately focus on the higher value, more complex tasks. **LPM**

www.ochresoft.com

*Robert Sanderson, managing director,
Ochresoft, part of Landmark Information Group*



**SPONSOR
COMMENT**





SERVICE IS UP

Overwhelmingly, when diving deep into the minds of respondents for their views about automation, self-service and client portals were mentioned over and over again.

SME law firms are actively trying to put work into the hands of the client, for better engagement, accuracy of data and efficiency of matters.

Burrell says: "The world we are living in is fast paced, and we are demanding services and goods to be delivered effortlessly and efficiently. Having said that, there are people who like to send documents through the post and we need to accommodate each need.

"Wherever possible, we drop all forms of correspondence into an online portal that can be instantly received by clients – saving time, space, money and effort."

Bond at Talbots agrees, comparing to efficiency gains in the world of fast food: "Instead of employing people to process orders, you can process your own order.

"We're not trying to become McDonalds, but there's something that law firms can learn about self-service. Before a client instructs us, what we want to do is have them serve themselves by reporting their details into a portal through our

website or a link we send them. There's nothing worse for a law firm than when you do a perfect job but get their name wrong."

Barrett, too, points out that a big player for law firm efficiency could come from passing some work to the clients.

"We don't want information getting lost in Chinese whispers. By self-serving, clients are engaging with us on our systems and creating opportunities for my firm to automate other areas, which is part of my strategy for adoption."

Clients can get frustrated if they can't reach a fee earner, especially when the information they need could quite easily be available on a secured portal, he adds.

“Wherever possible we drop all forms of correspondence into an online portal that can be instantly received by clients – saving time, space, money and effort.”

Ian Burrell, IT director, Ellisons

We have a vision to streamline the property transaction for the benefit of all.

At tmgroup we harness two decades of technology and property expertise to provide property professionals with solutions to help improve the profitability, efficiency and risk profile of a property transaction. Whether you are a residential or commercial solicitor, estate agent or developer...

we make time for you

Craig Campbell : Product Director - tmconnect
Craig.Campbell@tmgroup.co.uk : 07977 256718

Nick Ball : National Sales Manager
Nick.Ball@tmgroup.co.uk : 07483 117483





SMART WORK

The way law firms work has changed drastically over the last decade. Even in the last couple of years, the industry has boomed with legal tech, startups and NewLaw all redefining the way legal services are completed, and what it means to work in the sector.

And the SME market is largely playing catchup. It's hard to get rid of a paper-heavy way of working in the traditional partnership, but the next generations demand better work-life balance and want to be digitally enabled. However, 2018 has been a better year for the digitally-minded.

Warrilow at Thursfields says her firm's agile working policy has been developed over the last few months and is ready to be rolled out to directors and senior associates first, to gauge effectiveness of flexible working patterns. Laptops will also be available to staff for client meetings, court appointments and so on.

Barrett says: "TWM has been very focused on the career paths of parents, admittedly mainly women who return to work after having a family. They need flexibility."

It's about breaking down the classic presenteeism ideas, he says – it's possible to sit in an office all day and do very little that is productive from the client's perspective and then go home and do a few solid

hours of work, which has far more value to them and the business.

"And when we're at court, we want to be paperless. So we need to have a quick and secure way to get into the system to access files and information."

Bond says Talbots is currently paper-light and will go down the paperless route. "Post that comes in is physically scanned and put on our system. And the work we generate doesn't get printed – there's no physical file."

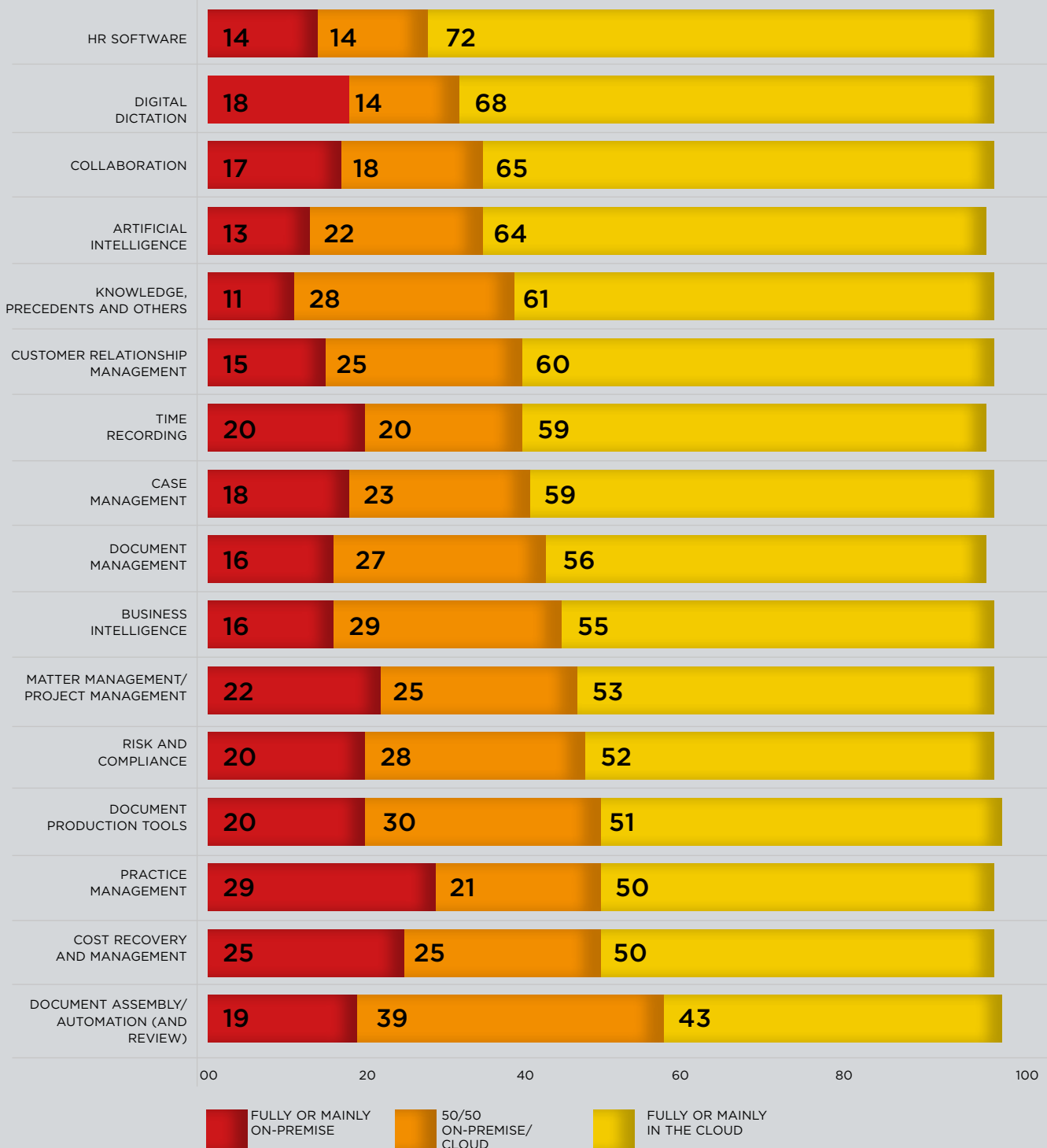
The SME market is no longer just dipping its toes in the cloud. The trend continues to show firms adopting cloud-first strategies or at least using the cloud in more mature ways.

At Ellisons, Burrell says it has a cloud-first strategy. "The majority of our infrastructure has been moved to the cloud, and unless there are circumstances where a solution must be based on the premises, any future deployments will be with a CSP (cloud service provider)."

"There is still some concern in the industry about what cloud means and if it is right for you, but partnering with a good CSP and working with your internal compliance team should remove those obstacles."

Barrett is more cautious about cloud. "It's inevitable that cloud is coming. We're probably not far from the

IN FIVE YEARS' TIME (THAT IS BY 2023), HOW DO YOU THINK THESE SYSTEMS WILL BE USED BY YOUR FIRM?



ADOPTION ATTITUDE



This year's survey shows some interesting results. It highlights shifts in attitudes rather than shifts in actual working practice. While interest has been building in cloud and agile working for a number of years now, there has been no significant change in their actual

uptake. What is starting to occur, however, is a growing realisation across mid-market firms that these things are not only desirable but inevitable and that any long-term plans must take these into account.

Adoption of cloud technology is a clear enabler for mobile and agile working. It's increasingly understood that cloud platforms are able to eliminate many of the security concerns that remote and mobile working implies. Two-fifths of firms who were surveyed agreed that there was no system or technology that would not be fully or mainly in the cloud in the next five years. Interestingly, document production tools ranked one of the lowest on the list for a move to the cloud, which is perhaps surprising given Microsoft's emphasis on the adoption of Office 365. Clearly this is not seen as an immediate priority for firms, despite the advantages it would give for the management of a mobile workforce.

“It's increasingly understood that cloud platforms are able to eliminate many of the security concerns that remote and mobile working implies.”

Another interesting finding to emerge from the survey is around automation and AI. If you're simply 'automating', then it's the administrative processes that are the focus. If, however, you're automating through the use of AI, then the legal processes can reap the benefits. The emphasis on both of these areas is likely to be a response to the perceived threat to business from bigger firms looking to expand into the mid-market space, as well as from highly automated technology-led providers. **LPM**

www.tikit.com

Simon Elven, commercial and marketing director, Tikit

tikit

SPONSOR
COMMENT

point where we'll just have an intelligent screen and a wifi connection for all business purposes.

"But until that happens, my job is to make sure the business can function during that transition. Collaboration is very important for any cloud adoption."

He says what he's looking for, ultimately, is the ability to provide documents very efficiently and accurately, plus checks for knowledge and precedents – and those need to be shared with the courts, clients or third parties as applicable.

Thursfields very much follows the cloud trend found in this year's Legal IT landscapes report. Warrilow says the firm is working to move all its systems into the cloud, and has used virtual servers and an offsite datacentre for the last four years.

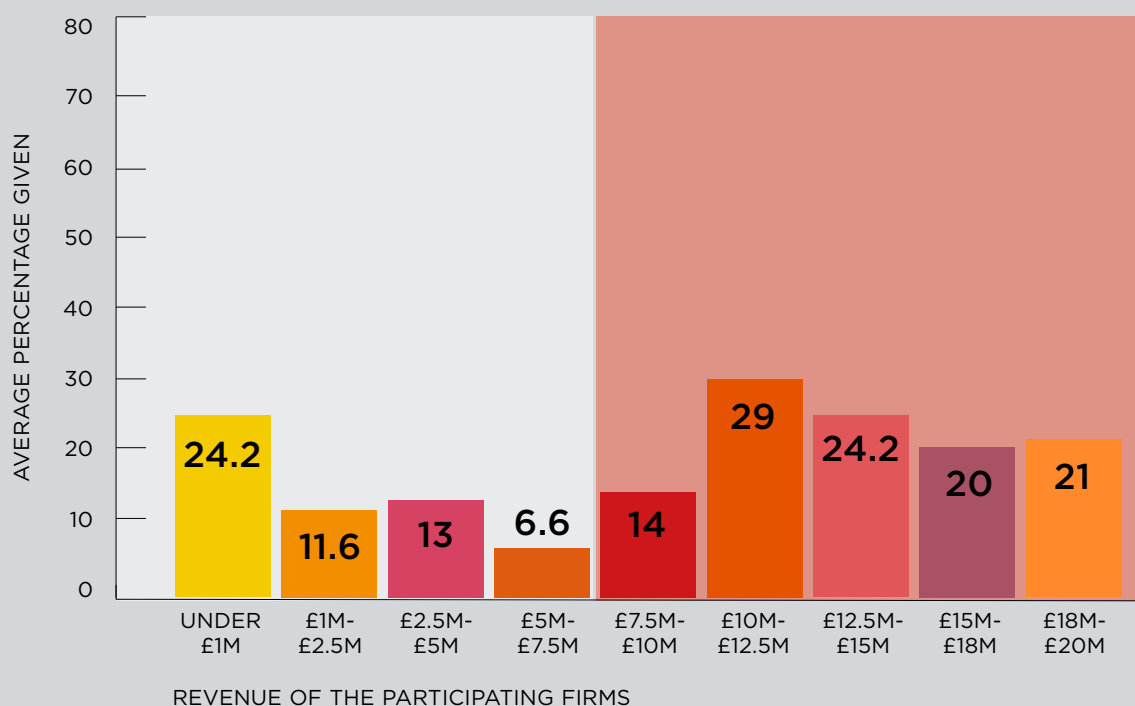
Firms' cloud priorities have shifted this year in a few key areas. 'HR software' remains the most likely to be found in the cloud. 'Artificial intelligence' has rocketed to the top of the cloud chart from last year when 45% of respondents listed it as mainly or fully in the cloud. It had the most even spread of on-premise and cloud use in 2018 and nearly makes the top three in 2019. 'Knowledge and precedents' has also moved its way up from its position in the middle of 2018's list. 'Collaboration' has had the most extreme movement from the second-to-last position in 2018 to third this year.

Digital dictation is very heavily in the cloud arena, however not very many firms have listed it

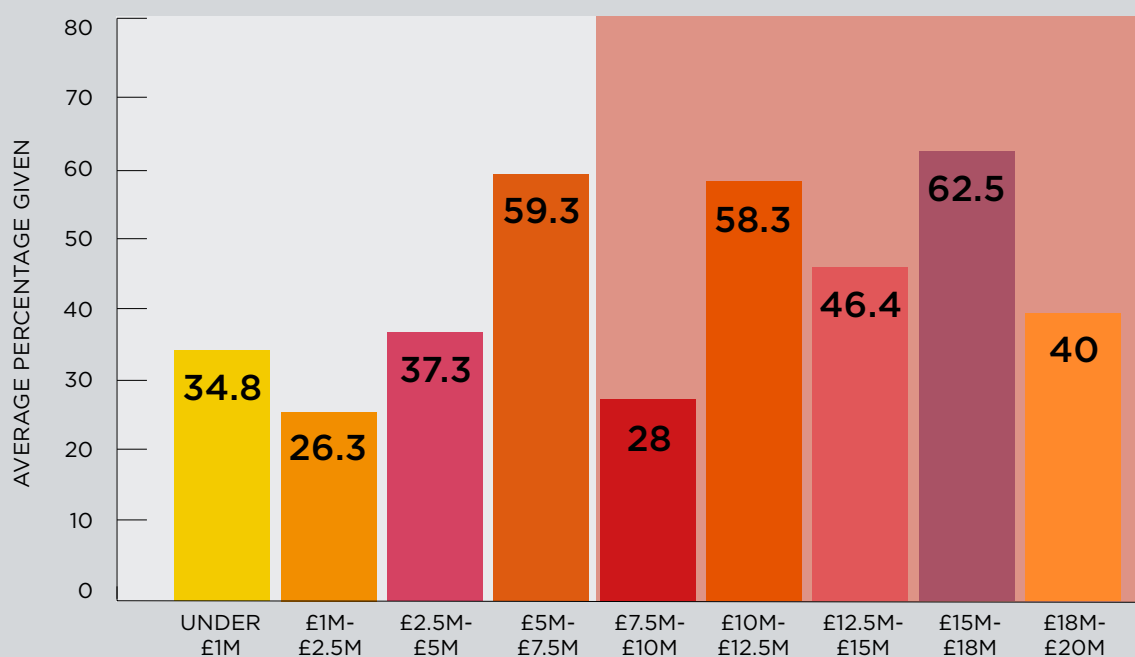
as a potential for automation. And other production-based tools, such as 'document production', 'document management' and 'document assembly', have all fallen from last year's results – more so because of the rise in other technologies, but still no movement is being made here. **LPM**



WHAT % OF PEOPLE IN YOUR FIRM
REGULARLY WORK FROM HOME, DO YOU
THINK?



WHAT % OF THE WORKFORCE WOULD
YOU LIKE TO ENABLE TO REGULARLY
WORK FROM HOME?





BUDGET BORN



In the legal sector, technology is increasingly seen as a way to improve productivity and keep firms competitive. This acknowledgement has been a long time coming, especially when it comes to cloud. But there are still challenges to overcome, most notably around budgets.

This is reflected to a large degree in this research – law firms' budgets are constrained and especially so when it comes to IT innovation and the exploration and implementation of new technologies. What we, at Pulsant, are seeing more and more is law firms, particularly SMEs, thinking about outsourcing the day-to-day IT so that they can focus on those new technologies. The driver for this is the increased competition smaller firms face from larger organisations with bigger budgets, and new entrants that are so-called 'born in the cloud' and already fully embracing the use of technology throughout their processes and operations.

These types of firms are already delivering the services that their clients are looking for, such as 24/7 access to their case, web-based portals and fixed-price, commodity-based services. They also offer more flexible ways of working for both clients and employees.

That's not to say smaller firms are shying away from increased technology usage, despite the lack of budget. There is a definite appetite for new and better technology, especially when it

comes to making staff more effective and agile. While the mobile and home working trend is being held back by the belief that it's not as secure as working within the confines of the office, law firms need to overcome this obstacle to empower staff.

The right investment in technology tools can enable this move – reducing the level of risk, and allowing firms to manage and keep their data secure while staff are working on it remotely. In fact, moving to the cloud, as an example, could deliver more protection to firms as data is often better secured within enterprise solutions with the right security tools and a depth of support staff than it is in-house. Also, there may even be cost savings by reducing spend on real estate or supporting old equipment – or revenue generation by attracting the right new talent as a result of more effective working practices.

Moving forward, we believe technology can level the playing field for the smaller law firms and help them to elevate both their staff and services. Keeping the results from the 2019 report in mind, the year ahead will certainly be an interesting one and we look forward to seeing how the industry develops. **LPM**

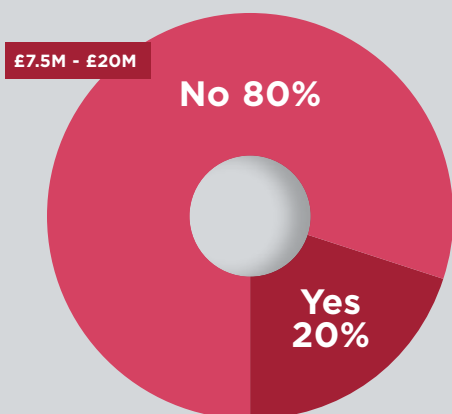
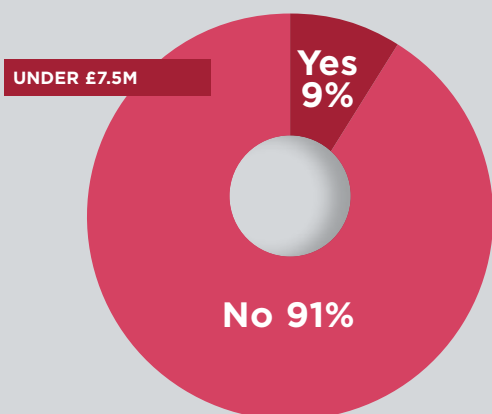
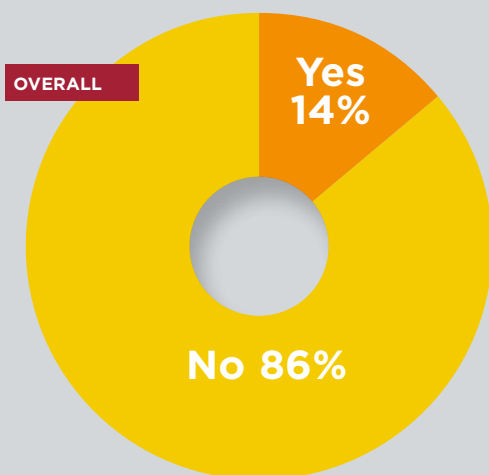
www.pulsant.com

Martin Palmer, specialist sales director,
Pulsant



SPONSOR
COMMENT

DOES YOUR FIRM CURRENTLY HAVE SIGNIFICANTLY (>10%) MORE PEOPLE THAN IT HAS DESKS FOR THEM ALL TO SIT AT?



OPS OPPORTUNITY



As with all markets, the advance of technology and the disruption it brings is often a catalyst for change. The legal and professional services market cannot escape, and it must react quickly to ensure firms stay competitive and drive profitable business, irrespective of their size. A large proportion

of an IT budget is dedicated to day-to-day operations and therefore the investment in innovation is limited at a time when it is crucial to increase it. The larger law firms with significant budgets and the new legal technology-based market entrants are viewed as the biggest threat, as they continue building technology-led solutions such as AI, data and analytics and business process automation to drive efficiency and deliver improved accuracy with regard to billing and debt recovery.

Firms surveyed are looking at the back-office functions such as operations and admin or risk and compliance for increased investment in automation. These are proving strong candidates for the use of enhanced data insights, providing accurate and informed decisions through data analytics solutions such as Microsoft PowerBI.

Using Microsoft's Office 365 platform and deploying business process automation solutions through Flow, firms can deploy agile business processes, collaborating effectively across locations, branches and teams to complete matters and bill for time as efficiently as possible. There is now huge potential for artificial intelligence and machine learning to be utilised, deploying solutions in all areas of the business. Using AI solutions within front or back office, applications still rely on having a well-understood, securely governed data estate for success.

There's both real opportunity and threat in deploying these solutions, as businesses must first ensure that their data is organised, secured and understood so they can use an AI solution to predict certain outcomes with confidence in the results. Without this confidence, a firm could make mistakes when delivering important decisions and this is certainly not a situation that Circyl would want our clients to experience. However, the firms who can master the use of AI technology will be in a much stronger position to compete, with Microsoft's secure cloud-based services currently leading the market.

Over the next five years, we will consider the challenge of law firms needing increased office space to support their growth. Office space, particularly in large urban areas, is at a premium both in terms of availability and price. Many firms are outgrowing their office bases and face the choice of either acquiring more space at a higher cost or equipping their employees with technology to enable remote working.

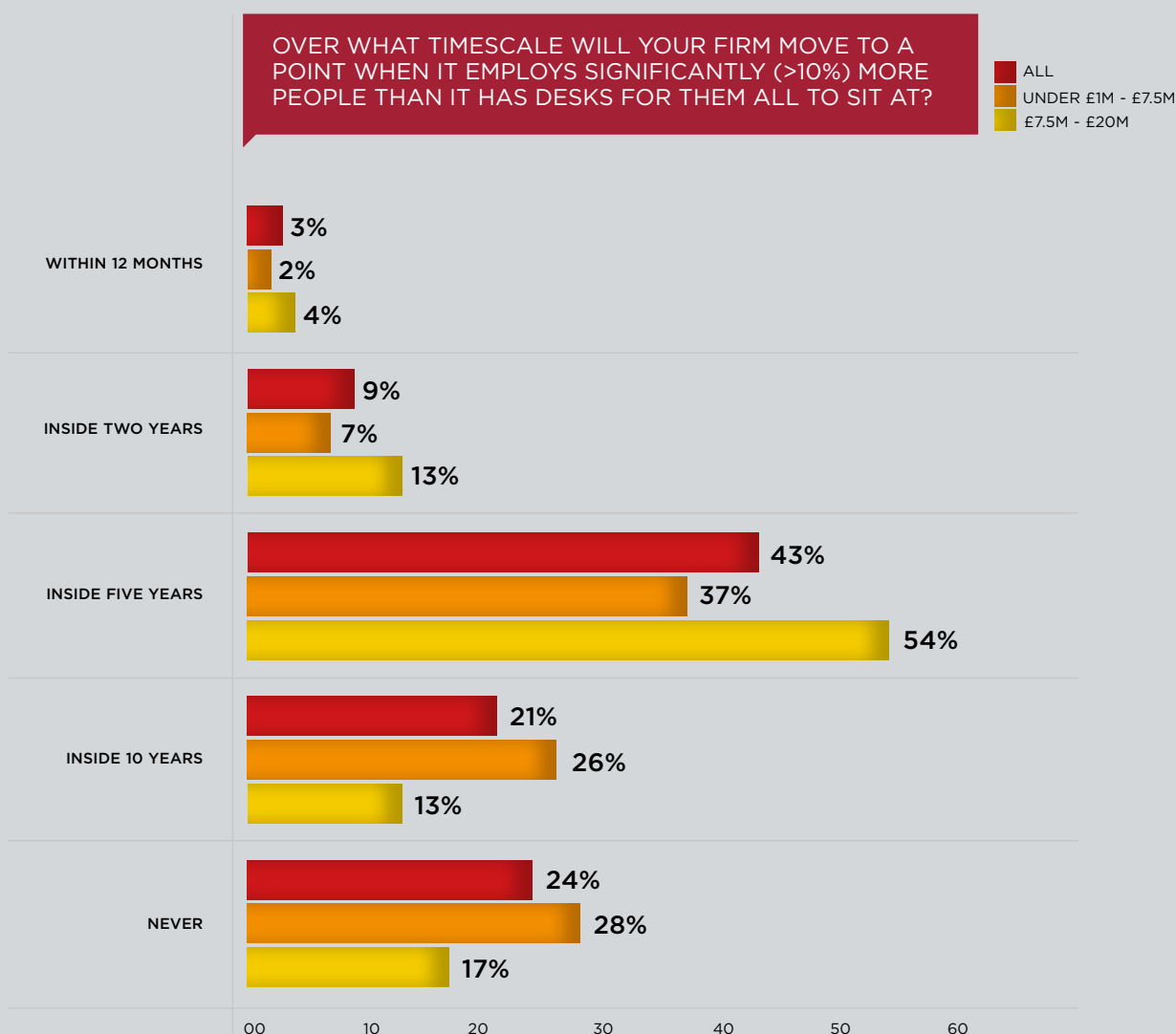
The increase in lower-cost cloud capabilities and services means that firms can balance their requirement for office space and remote working more effectively. Office 365 delivers a collaborative cloud-based platform that allows employees to work confidently, knowing they have the tools to complete the job within a secure online environment. **LPM**

www.quiss.com

Andy Smith,
business development manager,
Circyl, part of Quiss Technology

Quiss
Excellence through experience

**SPONSOR
COMMENT**



CLEAR DESKS

According to this year's results, SME law firms are still largely reliant on having desks for their staff to sit at – going back to the potential threats to the market, this statistic may need to change.

Top-tier firms surveyed in **Briefing Legal IT** landscapes 2019 aren't too far ahead, with 23% of respondents saying their firm currently has more people than desks to sit at.

And the trend is that for top-tier firms 30% of respondents said 'inside two years' they will have more people than desks for them to sit at – which tells us that those projects could well be underway. Whereas for the SME market, only 9% said that will happen inside two years. And only 3% of respondents this year said within 12 months (more on this and other data for our trend watch on p30).

Harrison at Lowell says: "As we automate more and more of our processes, our business model is inevitably morphing into a front-of-house operation, where the vast majority of our staff are here to speak to or correspond with people.

"This means we need a physical presence but the

likelihood of having more desks than people is quite low; we will likely be outgrowing our current office and considering how we can continue to expand."

Bond, however, sees more of a case for hotdesking. "Staff have the ability to remotely log on to equipment they have with them or come into the office and have a desk. This is combined with a clear-desk policy."

TWM, too, has hotdesks available, as well as "hot meeting rooms." Barrett says: "It's great to see people just turn up at any office and their biggest drama is getting the printing to come out of the local printer, which to me is a great problem to have. If they're sweating the small stuff, it means they're not worried about the big stuff."

Also of note here is the difference in opinion between the larger and smaller end of the SME market. The larger side of the market (firms in the revenue band £7.5-£20m) shows more of a progression to being in a position that means they will employ more people than desks – which should inform the development of smart working policies. **LPM**



TREND WATCH

Some very interesting results here to compare over the last three years. The true constant for this area, it seems, is the group of respondents who said their firms would 'never' be in a position that meant they would employ more people than desks for them to sit at. This has consistently been the position of around a third of our respondents.

However, over the last three years there has been some movement among the groups that said they would or may employ more people than desks to sit at. The trend shows movement on both 'inside five years' and 'inside two years' between 2017 and 2019.

This year's data shows another increase in respondents saying 'inside five years' (now 43%). But also there's been an incredible jump in numbers saying 'inside 10 years' with 21% of respondents compared with 2018's 4% and 2017's 6%. With no movement in the 'never' responses this is more likely due to a difference in our survey pool, with new firms responding making up the high numbers. But that doesn't rule out the possibility that some firms may be reimagining their models or timescales.

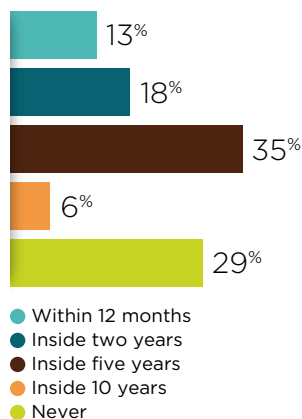
Of course this sort of smart working – which would see firms reducing overhead on office space and have more people working at home or outside the office – isn't for every firm. Some work will always be done in the office with people at desks or enough desks for them to fill ... or will it? Going back to the cloud chart and views on the application of automation to key areas (such as risk and compliance, operations/admin and finance) why can't firms be more flexible in their working? It may save them a lot of money to move to this position.

And once more, the threats to the SME market are becoming more broad – accountancies, firms with no physical offices and legal tech-based businesses just keep coming. Firms are trying to improve themselves for their clients, that much is true, but what about for their employees?

It's therefore a bit of a surprise that this year only 3% of respondents said they would employ more people than desks for them to sit at 'inside 12 months', especially considering the 25% in 2018 that said 'inside two years'.

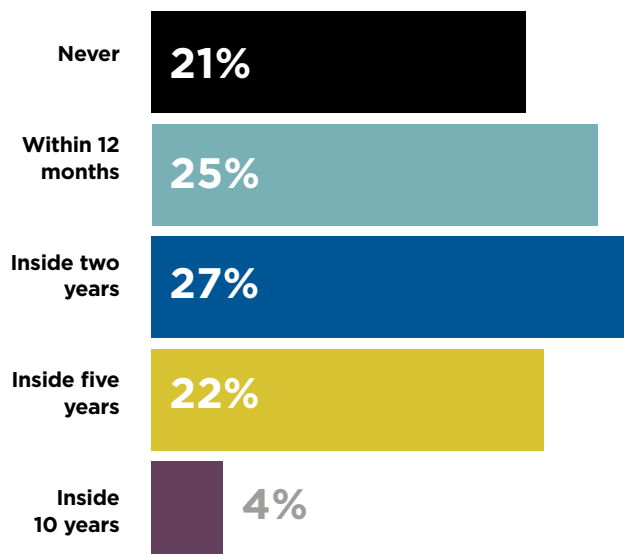
2017 DATA

Over what timescale might your firm move to a point where it employs significantly (>10%) more people than it has desks for them all to sit at?



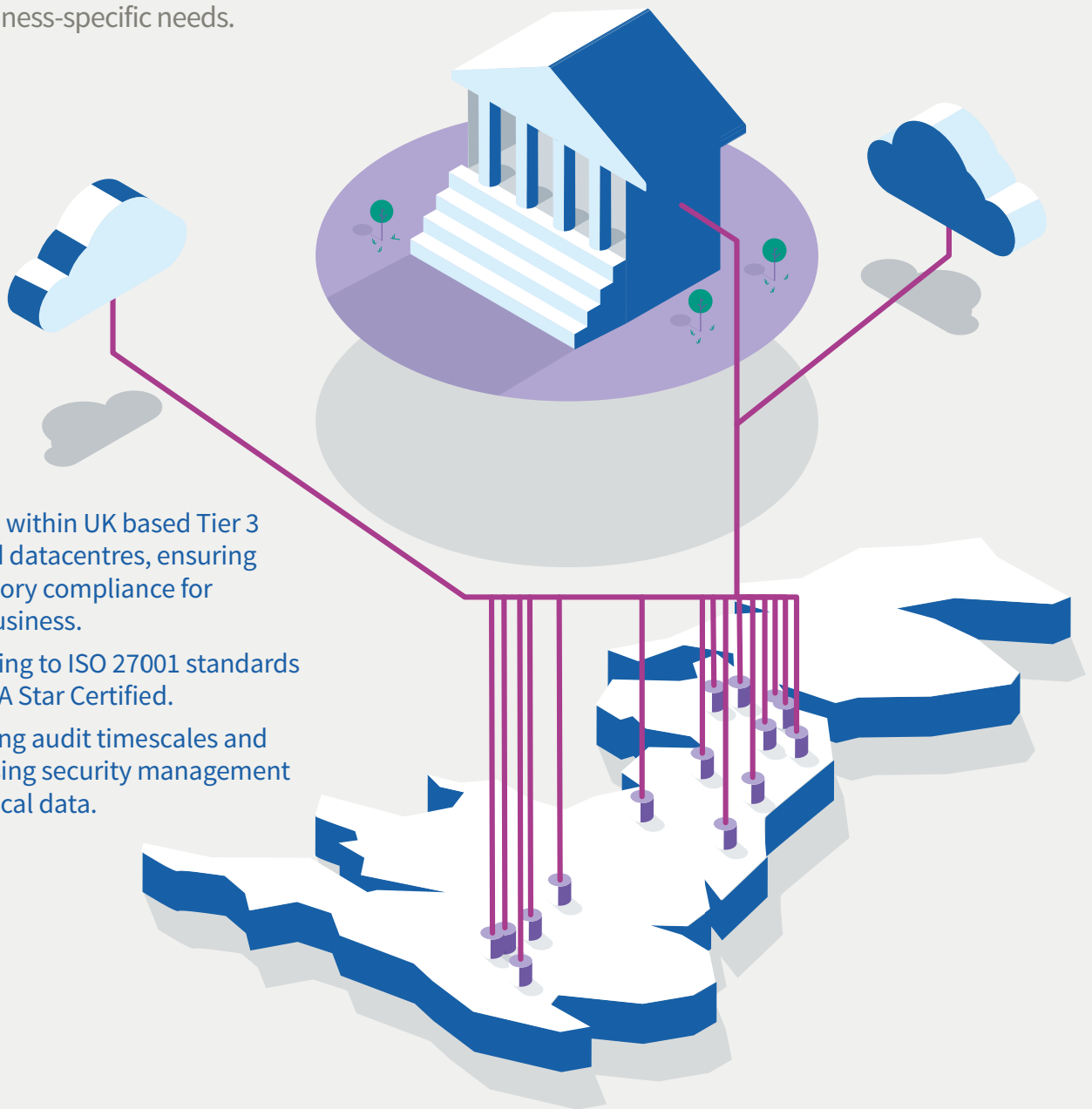
2018 DATA

Over what timescale will your firm move to a point where it employs significantly (>10%) more people than it has desks for them all to sit at?



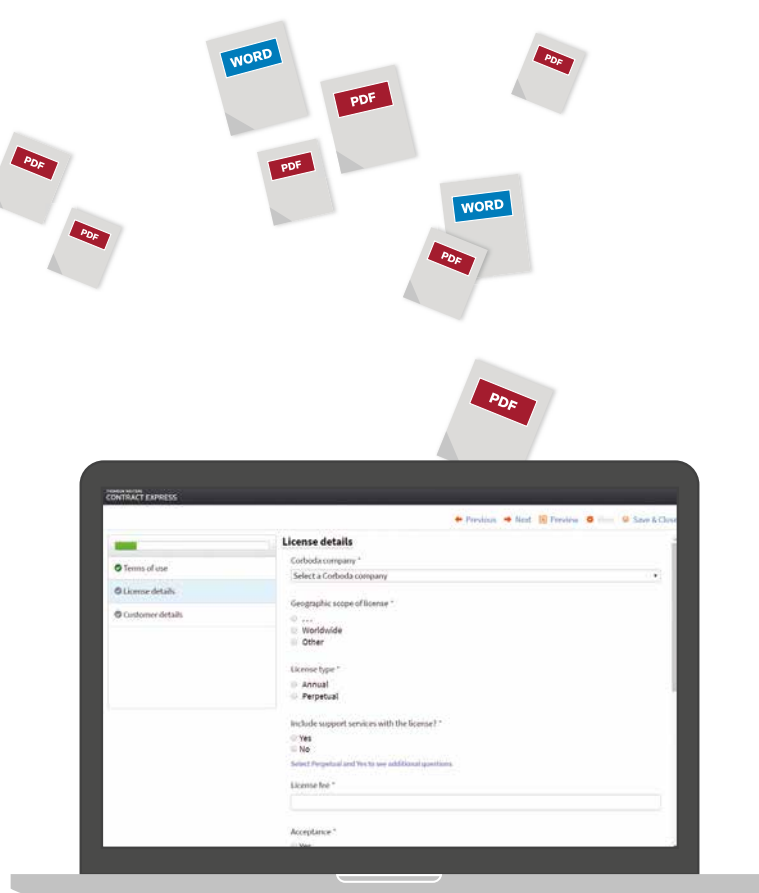
Enabling Cloud within the Legal sector

Pulsant answers your business IT needs through ultra-reliable, flexible, scalable, secure, stand-alone solutions or hybrid service combinations, designed to deliver your business-specific needs.



- Hosted within UK based Tier 3 aligned datacentres, ensuring regulatory compliance for your business.
- Operating to ISO 27001 standards and CSA Star Certified.
- Reducing audit timescales and increasing security management for critical data.

To find out how we can help your organisation,
call **0845 119 9911** or visit **www.pulsant.com**



Thomson Reuters Contract Express

Automation software for law firms.

Much more than just legal document automation software, Contract Express uses intuitive questionnaire technology for fast and accurate document drafting and enables firms to offer innovative client facing services. It is also used by sales teams, HR departments and more, to streamline document creation and save huge amounts of time.

Contract Express integrates with your firm's templates or Practical Law so you're equipped with industry standard documents from the starting line.

Simplify the drafting of your legal documents.

Visit legal-solutions.co.uk/contractexpress to find out more or request a demo.

The intelligence, technology
and human expertise you need
to find trusted answers.



the answer company™
THOMSON REUTERS®