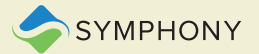
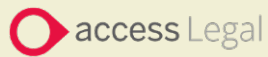


MARCH 2021

# LPM

LEGAL PRACTICE MANAGEMENT



# FRONTIERS LEGAL IT LANDSCAPES 2021

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**P**rocess is king in this year's LPM Legal IT landscapes (LITL) report as SME legal leaders learn to manage a remote workforce, implement must-have cloud infrastructure and tech, and make other big pushes to modernise their practices.

For this year's data splits, we decided to segment the market, in terms of size, by headcount instead of by revenue. Last year's bands were £7.5m-£20m and £7.5m and under. This year, firms are categorised as having headcounts of 50+ or <50.

As for the questioning and results themselves, we have some familiar areas, such as our ever-popular competitiveness v efficiency graph (p8), but we've also switched up some classics, particularly around remote working. See how this year's results compare to previous years, and find out just how far SME law firms have come in terms of tech strategy and investment.

Kayli Olson, editor  
@LPMmag | [kaylio@lpmmag.co.uk](mailto:kaylio@lpmmag.co.uk)

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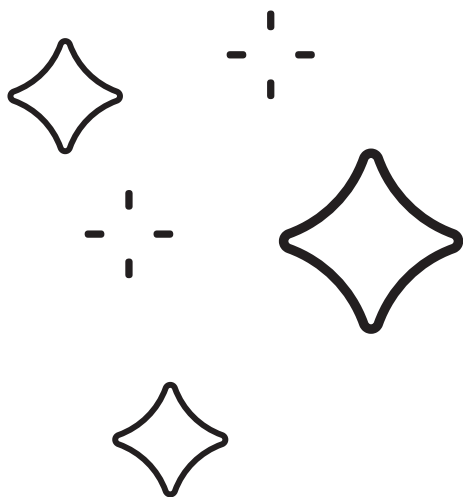


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## THANK YOU

The LPM Legal IT landscapes 2021 report would not be possible without firms like yours – so thank you so much to the firms that responded to this year's survey! It means we get to report on some solid market research, but also, for every completed response, LPM donated £5 to FareShare this year.

Of course, we'd like to say a big thank you to our wonderful sponsors **Access Legal**, **Accesspoint**, **CTS**, **NetDocuments**, **Stratia Cyber** and **Symphony** for supporting this report.



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### LPM FIRM FACTS

Ashtons Legal

Revenue: £20m

Corporate status: Partnership

250 fee earners, 320 total staff

Offices: Bury St Edmonds,  
Cambridge, Ipswich, Leeds,  
Norwich

### LPM FIRM FACTS

Capital Law

Revenue: not disclosed

Corporate status: Ltd

135 total staff

Offices: Cardiff, London

### LPM FIRM FACTS

Ellisons Solicitors

Revenue: £14m

Corporate status: LLP

95 fee earners, 196 total staff

Office: Colchester, Bury St  
Edmonds, Chelmsford, Ipswich,  
Clacton-on-Sea, Frinton-on-Sea

### LPM FIRM FACTS

Hedges Law

Revenue: £2.7m

Corporate status: Ltd

24 fee earners, 45 total staff

Offices: Wallingford, Oxford

### LPM FIRM FACTS

Morecrofts

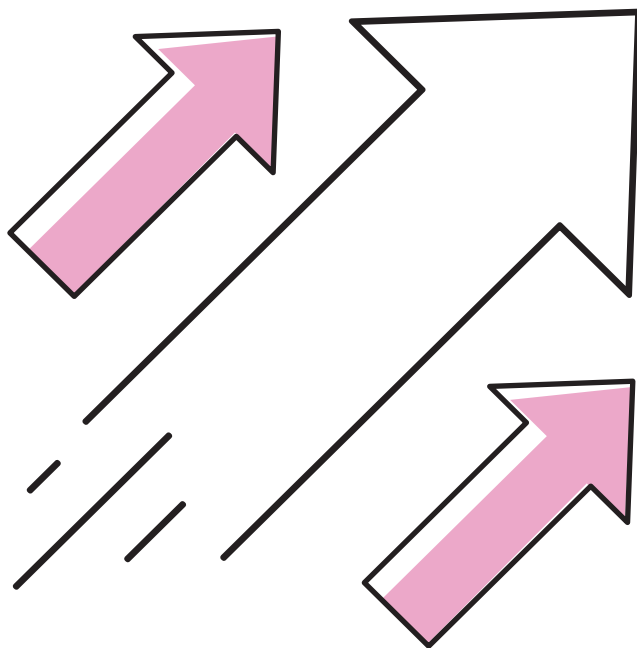
Revenue: £4.6m

Corporate status: LLP

54 fee earners, 107 total staff

Offices: Liverpool, Wirral,  
Crosby, Woolton, Allerton,  
Prescot

## THE BIG QUESTIONS



**W**elcome back to LPM Legal IT landscapes! Lots of interesting results this year but also more of the same, as SME law firms press forward with tech projects big and small. Unsurprisingly, 'agile/remote working' tech leaps forward into our hot topic/strategic winners section in the top rightmost part of this year's efficiency v competitiveness graph – just beating AI for third place. Holding their positions strongly again this year are 'CMS' and 'client-facing technologies, including portals' as the top two tech that will have the biggest impact on your firm's efficiency and competitiveness (p8).

Alison Lobb, managing partner at Morecrofts, says: "As technology continues to improve, we need to make sure we are at the forefront so that we can work as efficiently and productively as possible. We're looking at tech from a client-facing perspective – how can we make it easy for our clients to interact with us? Case tracking portals is something we've considered for a while, but there's always been a little bit of kick-back from fee earners about ROI and benefits. Over the course of the pandemic people have learned more about technology and our clients have become accustomed to dealing with us remotely."

Edward O'Rourke, CEO at Ashtons Legal, agrees, listing self-service portals and automated workflows as tech that will have a big impact on the firm. "There has been a steady progression in the way clients' expectations have changed in line with consumer behaviour. They want a seamless experience and often one filled with data-rich insights. Firms that can offer that as a delivery solution, possibly along with more traditional law-based advice, will be able to get a market share. And as each generation passes there will be more of an onus on technology and data to be part of the solution."

He adds that most law firms still aren't open on the

weekend, which means that private clients are forced to take time out of their own workday to deal with personal matters. "If a client wants to construct a will, they should be able to work through a self-service questionnaire at their leisure and communicate with someone as needed either via a chat box or live call. Services as a whole are shifting towards a 24/7-style of society."

Karen Edwards, director and head of business support at Hedges Law, adds: "Firms should be thinking about how to make the client experience better. We underwent a big technology implementation of Actionstep during lockdown and part of the appeal here is its client portal capabilities. We can share documents electronically, more securely than via email. And everything is in one place, so clients don't have to search through lots of emails to find a document their lawyer sent them two months ago. It's not just good for client communication; we can also share counsel bundles and other documents with third parties this way."

Clearly, the pandemic has had an effect on the way SME law firms think about tech – if it hasn't brought new tech to the table then it has certainly accelerated the projects already in motion. We see a slight shift back in the business-as-usual corner in the lower left

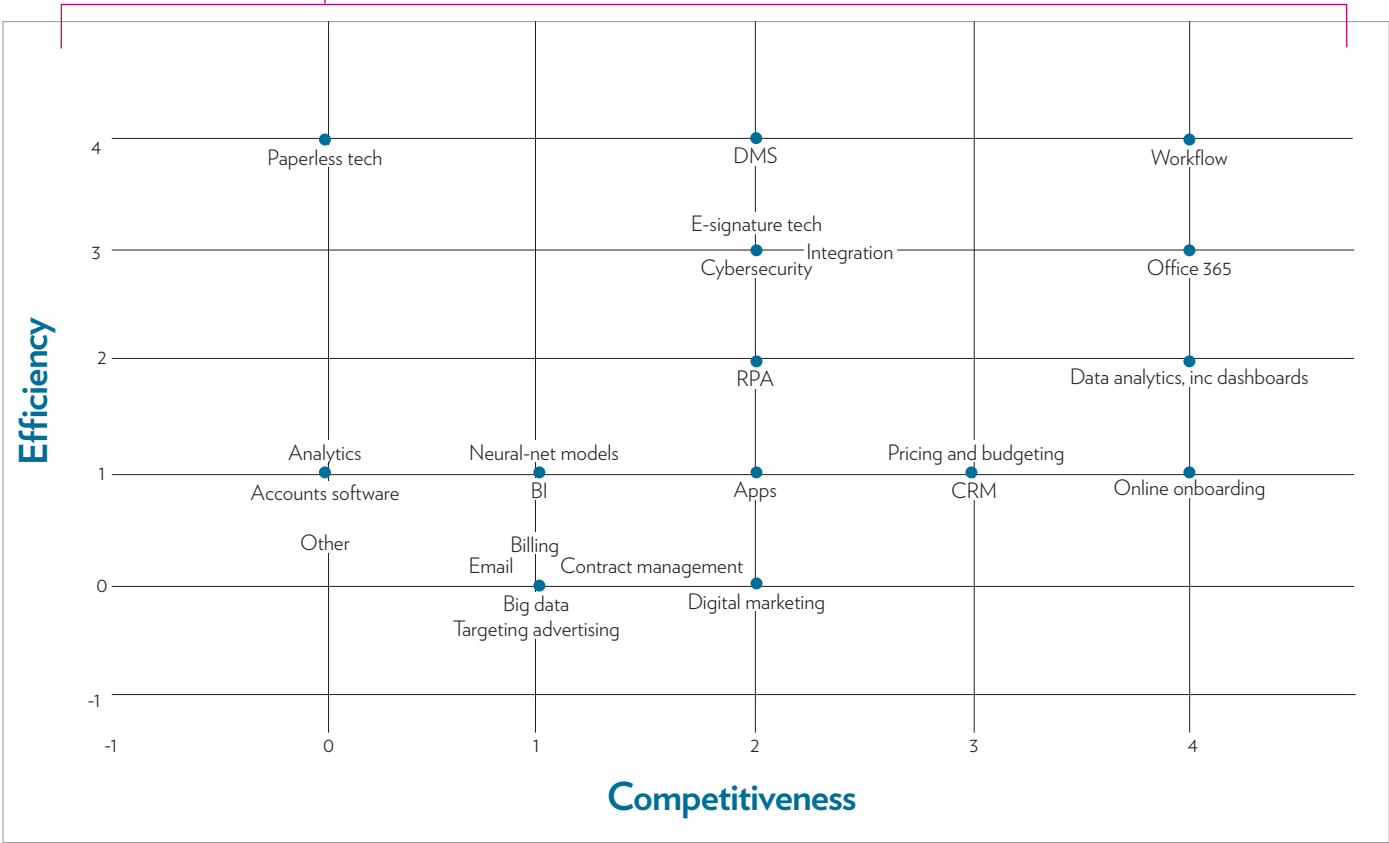
“Over the course of the pandemic people have learned more about technology and our clients have become accustomed to dealing with us remotely.”

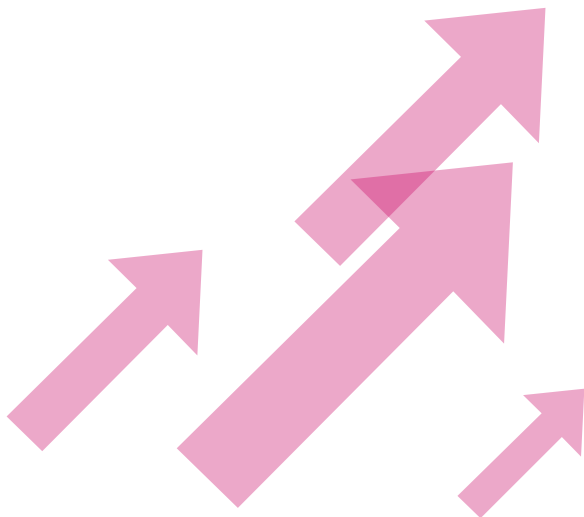
**Alison Lobb, managing partner, Morecrofts**

## TECH TRENDS



Which technologies will have the most impact on law firm competitiveness and efficiency in the next five years?





**“ We’re looking at AI as technology, not to replace human work but to help maximise productivity. Contract review and contract drafting would be good examples of where we believe we could reduce the time taken by using a combination of AI and lawyers. ”**

**Rhys Davies, IT director, Capital Law**

for ‘CRM’ and ‘digital marketing mentions’; in their place, however, are ‘data analytics, including dashboards’ and ‘online onboarding’ – which suggests firms are prioritising more granular wins in this area as opposed to the wider tech strategy. It’s important to remember that everything on this chart has been specifically mentioned by our survey respondents and not cherry-picked from a list of tech. Tech in the bottom left corner are not less important than those in our strategic winners section – they are all top of mind and crucial according to SME legal leaders.

In terms of client onboarding technology, Hedges Law uses Legl. “Clients go through a biometric system where they upload their ID and take a photo of themselves. It does all of the checks in the background and returns a report at the end. We’re also able to request and process payments via the platform – this has been a huge help in the management and financial strategy of the firm.

“We want to further streamline our whole onboarding process with use of electronic signatures. We want to be able to send as much as possible via the portal and, when documents are updated with the signatures, those documents can be sent back through the system, which will notify us and be automatically available in the matter.”

John Turner, COO at Ellisons Solicitors, also sees a gap for innovation around client relationship management. “We have about 230 people split across seven sites, and I think we communicate quite well around clients. Now that everyone is home and it’s more fragmented, communication and collaboration are even more important. We don’t currently have a CRM – our PMS takes on that capability – so our next journey will be around improving visibility about client touchpoints with a proof of concept of a CRM. We want fee earners to see when, why and how often a client is contacted. We want to better segment our clients to ensure that information gathering and communication around our clients is more accurate. And we want to be more targeted in our approach.”

It’s all about client data and insights, O’Rourke at Ashtons Legal adds: “We’ve moved to a fully cloud-hosted environment and a Microsoft Dynamics

platform that is CRM-led, with a view that we’re putting clients at the centre of all data we capture. It’s taken time to get to this place but we’re now ready for the next phase, which is being able to deliver those insights externally to clients.”

Other worthy mentions on this year’s chart are ‘Unified comms, including video conferencing’ and ‘cloud’, making their moves into the top three tech for competitiveness alongside ‘AI’. And over on the efficiency side, ‘PMS’ and ‘automation’ hold their place in the top two but are joined by ‘collaboration’ tech this year – which takes over ‘digitalisation’ from last year.

Florence Brocklesby, principal at Bellevue Law, says: “Having a PMS will drive efficiency and allow us to automate a number of tasks. For example, linking time recording to the bill and so on – it’s not a big deal by itself but when you turn over a lot of invoices, that’s going to be quite a cost-saving for the firm.”

Rhys Davies, IT director at Capital Law, agrees: “We have a new PMS project on the go and automating tasks that are repetitive and manual will make us more efficient. We’re also able to save time by formatting large documents by automating the house style process. And we’re looking into how tech can improve our business development, insight and relationship-building capabilities.

“We’re looking at AI as technology not to replace human work but help do the same work in less time. Contract review and contract drafting would be good examples of where we believe we could reduce the time taken by using a combination of AI and lawyers.”

Turner says there is no single silver-bullet solution for Ellisons Solicitors. “Since coming off a successful document management implementation, we’re starting to see the appeal and potential for AI and automation tools to benefit our services. There is a huge win for collaboration and productivity here, too – being able to visibly see how up to date a case is in the DMS means that we can remove any stress related to people being off ill or, indeed, working remotely. Plus, not having to run around trying to find physical files is a huge win. We want to continue to capitalise on these benefits with automation.” **LPM**



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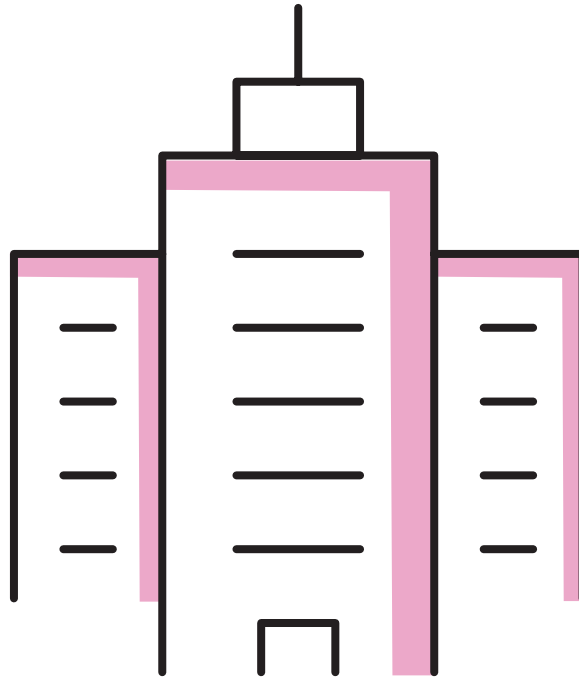
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## MARKET BLUES?



Lots of movements in tech this year but what about market players? According to respondents this year, not much has changed in terms of who they think the biggest competition is and where threats lie. 'Bigger firms than mine' reclaims its seat as top competitor over 'firms like mine already in our geographies'. And 'online businesses' continues to hold its place in third over the last three years.

Interestingly, 'legal-tech business/legal businesses selling tech-based solutions to business clients' has continued to drop down the competitor list over the last three years – after its height in second place in 2019, it now finds itself tied for last place.

When we look at the SME legal market by size – this year we split data to see how firms with a headcount of under and over 50 people compare – we find that those in the smaller end are more likely to see bigger firms as their main threat versus firms on the larger side, which see bigger firms and firms like theirs already in their geographies as equal threats. Firms under 50 headcount are more likely to list a different type of firm as their biggest competitor – for example, 'firms that specialise in our area of expertise' is more of a threat to these smaller firms according to our respondents. Tech-based law firms are more of a threat to firms over 50 headcount but are still on par with virtual or contract/freelance lawyer businesses.

Brocklesby at Bellevue Law was one respondent who said other virtual firms are a competitor to hers: "The pandemic has played a part in changing what clients expect from a law firm. It doesn't matter whether they're instructing a big firm in the city or a virtual firm, their experience as a client will have been very similar

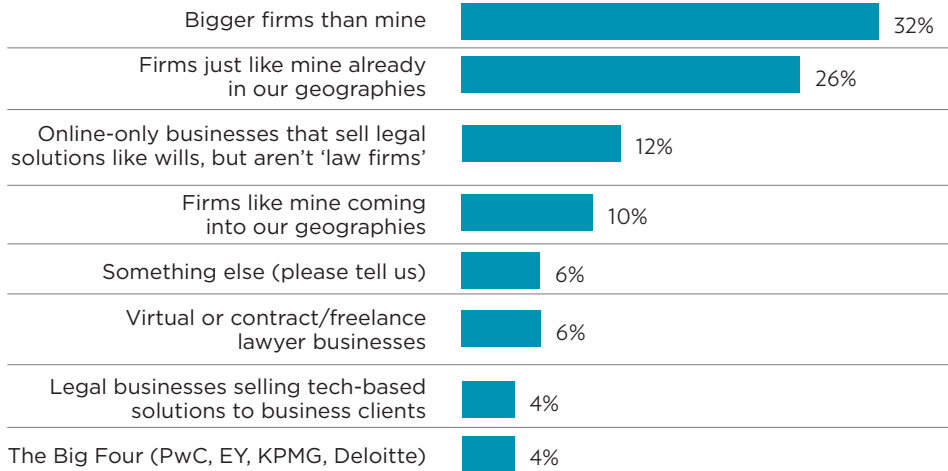
**“The legal market is a cottage industry currently being consolidated. Bigger businesses have more of an impact purely because of their capacity to invest.”**

**Edward O'Rourke, CEO, Ashtons Legal**

over the course of the pandemic. Clients' willingness to engage with law firms that don't have substantial bricks and mortar has increased enormously. This, coupled with an increased pressure on cost because of the direction of travel the economy faces, has created a paradigm shift in client behaviour. There will always be some matters on which clients would prefer to instruct a large law firm over an SME, but for most legal needs clients now know they can still receive the same level of service from virtual firms."

O'Rourke at Ashtons Legal says SME law firms shouldn't underestimate the threat of the Big Four accountants (currently tied for second-to-last place). "The legal market is a cottage industry currently being consolidated. Bigger businesses have more of an impact purely because of their capacity to invest, but if you look at the Big Four, their funds and ability to invest outstrips anything else. They seem to be quietly accelerating their growth plans in the legal services arena over the years, and I think this is impacting us in the SME legal space. Bigger accounting firms employ more lawyers than most SME law firms.

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



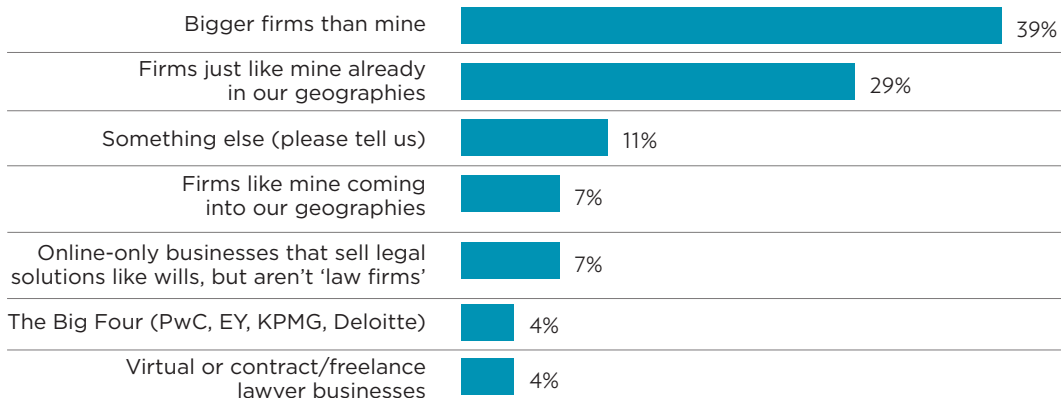
#### Other answers

Banks restructuring, can take on client mortgages

Law firms that specialise in our area of expertise

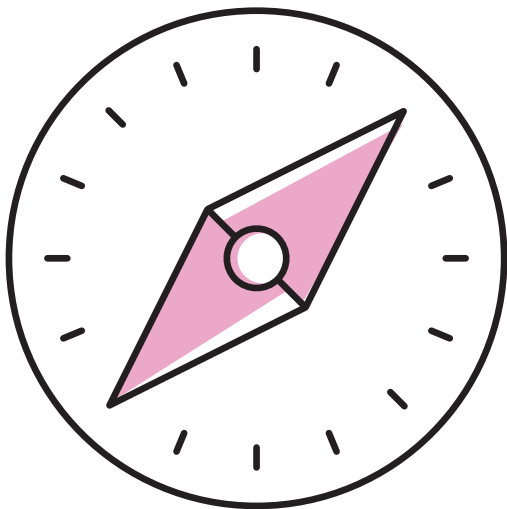
Withdrawal of legal aid in our demographic

### <50 headcount firms



### 50+ headcount firms





**“We’re trying to harness any opportunity to see how we can improve our service for the client’s benefit, which will also then benefit us as a business.”**

**Karen Edwards, director and head of business support, Hedges Law**

“There is scope for bringing in more standardisation of process and workflow technology and packaged services for clients that the accounting firms have been doing for years. Generally, law firms tend to reinvent the same wheel each time they get a new client, rather than providing something that is more packaged. This is the sort of disruption the legal sector needs, and it comes from external entrants into the industry rather than from within – probably because it’s easier for them to spot the errors that need changing.”

Ultimately, Edwards at Hedges Law adds, clients expect lawyers to know and be able to offer the best advice – so it’s everything else your firm does that makes a difference and makes you stand out above the rest. “We’re trying to harness any opportunity to see how we can improve our service for the client’s benefit, which will also then benefit us as a business. We don’t want to waste time printing, scanning and signing documents, when that can be done electronically. Unfortunately, as is the nature of the legal sector, some things involved in the courts and certain institutions are still paper based. It’s a bit of challenge because that means we end up fighting against an industry that is quite archaic. Change may be coming but, in the meantime, there are a plenty of opportunities for law firms to improve client experience.” **LPM**

## SPONSOR COMMENT

## PERFECT PARTNERSHIPS



People management hasn’t traditionally taken centre stage in SME law firms, but this report suggests attitudes are shifting. Asked an open-ended question about where they’d spend their LPM-gifted £100k, respondents pointed to areas such as learning and development, recruitment, resourcing, collaboration and performance

management.

This is reassuring, since engaged employees, who derive satisfaction from their work, are productive, eager to grow their expertise and fee-earning potential, engage with compliance training and deliver the best outcomes for clients.

There’s a clear incentive for firms to invest in their people and processes – and it should help them counter the commercial threat posed by the bigger players (the top concern for a third of respondents). By eliminating excessive paperwork and cumbersome IT systems, skilled professionals have more time to deliver excellent client services, so even smaller firms can differentiate themselves from the competition.

We also saw a clear appetite to invest the £100k windfall in technology, including case management and practice management software, the cloud, automation and IT consultancy. It certainly suggests many are frustrated with their current systems and are looking for more efficient ways of working.

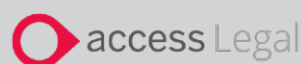
It’s not just wishful thinking either – by 2025, just a fraction of respondents said they still expect to be using ‘fully or mainly on-premise’ software. Some 87% think at least half of their document management systems will be cloud-based, while 86% believe case management will be. A further 84% say case management is also set to move fully or partly to the cloud.

Moving their systems to the cloud opens up new opportunities for firms to work efficiently and flexibly in the post-pandemic world. It’s worth noting here that over half of staff expect to work from home at least two days a week after the pandemic, up from just 16% last year.

The jury’s out on whether large-scale remote working increases cybersecurity risk or not – just over half said there was no difference, yet 41% believed the risk had increased. No matter how confident they are in their systems, robust training in cybersecurity best practice will help to mitigate the risk. This inevitably goes hand-in-hand with investment in the systems themselves, yet it’s interesting to see that, as in previous years, the amount smaller firms spend remains low at around 5-6%, a fraction of their wage bill.

Ultimately, empowering people to be the best version of themselves by investing in their salaries, training and technology that supports their day-to-day responsibilities, will enable law firms to retain and attract the best talent. **LPM**

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Doug Sawers, managing director  
Access Legal



IT spend remains a low part of total revenue spend in SME law firms. These numbers haven't changed in years – smaller firms are spending around 5-6% of revenue on IT, the same as big firms, which is also the Gartner average for professional services. The important note here is how firms are spending, not necessarily how much. Though it would be remiss not to mention that 6% in a big firm goes a whole lot further than in smaller ones – even just looking at the LPM demographic of firms that turn over £20m at the top end of our market versus smaller firms that turn over, say, a couple million, this is a huge gap, let alone comparing that spend to top-tier firms. Again, it's no wonder that 'bigger firms than mine' remains top dog in the competitor list.

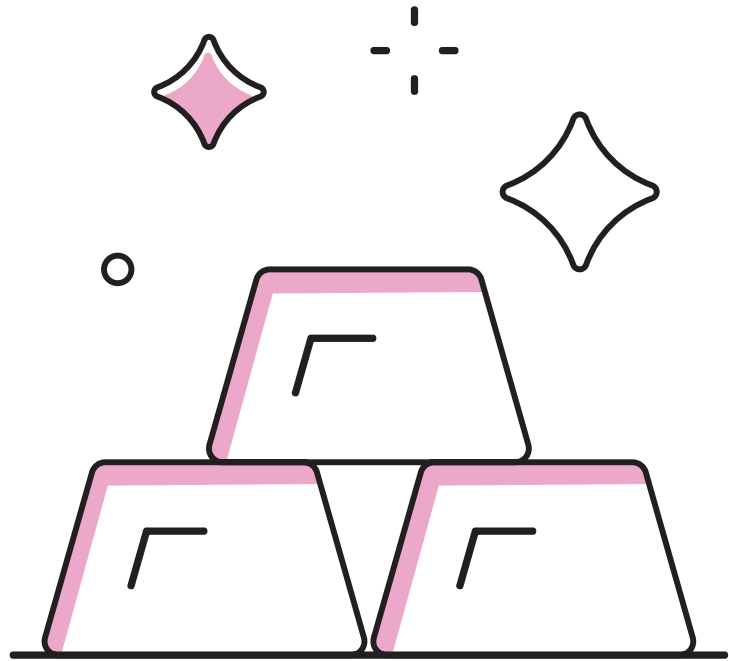
But that's not all. Lobb at Morecrofts says it's easy for legal to lag behind other sectors in terms of technology investment and roll out. "It's hard to grasp which technologies are good and what they can do for an SME firm like ours. We can't afford to do something that won't work because of the cost and also the potential reputational damage that comes with a poor client experience.

"We're going to rejig our budget so we can spend more on technology in the future. That was always going to be the case, but the pandemic has probably accelerated that process."

Turner at Ellisons Solicitors says people often don't like to talk about money matters but the foundation for firms going forward has to be around fees – and strategy underpins that. "New business and cash coming through the door is what makes the firm go; the layers on top of that are around looking after our people, performance management and strategy.

"At this time of year, we look at our strategy, budget, expenditure and targets for the 21/22 new financial year. Since we just completed our DMS roll out, and are seeing the benefit from that, we're now looking at three products in the AI and robotics space. Since I work heavily in the business support group at Ellisons, it's important we concentrate on how these areas – finance, HR, IT, quality and compliance, premises and facilities, and marketing and BD – all work seamlessly behind the scenes to make us more efficient and help us deliver a good-quality client experience."

Brocklesby at Bellevue Law says there is always room for improvement, even if you think you provide



a solid client experience. "We want a more sophisticated way of working with and onboarding clients, particularly around corporate clients or clients based abroad. If we can improve efficiency here, that would be beneficial for all parties." These haven't been driven by the pandemic but are rather natural investments as the business grows, she points out.

## What's for profit?

Not illustrated in here, we also asked SME legal leaders two 'magic wand' questions about what they wanted changed in their firm. Specifically, we asked, 'given a magic wand, what one thing would you do to increase the profitability of matters in your firm?' And further, 'if you had a magic, LPM-gifted £100k to invest for your firm, what would you invest in?' and 'what ROI would you expect to see from what you spent that £100k on?'

Many call for more automation, better gathering and use of data (quality data is a must here!), others call for specific changes in process or practice areas in order for their business to become more profitable. Naturally, some of these wishes around profitability track over to what they'd invest in if they had a magic £100k. But some more interesting pain points/goals

SPONSOR  
COMMENT

## TIRED OF DATA LAG?



Like all businesses in the UK, we've seen the pandemic have a lasting impact on the way teams work, and this year's Legal IT landscapes report shows people want to work from home more regularly: 32%, in fact – double what it was last year. And, with the explosion of Zoom and MS Teams to support client, prospect and referrer conversations, firms have received a lesson in how easy it is to communicate and collaborate digitally. As a result, compared to how things stood before March 2020, our interactions have notably increased.

However, some things remain the same: 61% of respondents said they struggle to maintain up-to-date records on who is talking to client and referrer contacts. Plus, many firms chose, as one of their magic wand wishes, to call for more automation and better gathering and use of data – with the quality of data being a key factor. If firms are having more connections and failing to record them, they will continue to suffer the curse of data lag and data omission that ultimately manifests itself in missed opportunities for growth.

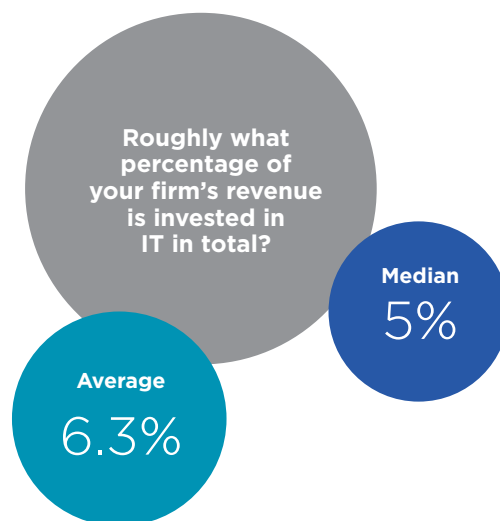
We recently deployed our relationship intelligence system, Client Sense, to help one firm gather its missing contacts, email addresses and connection history. Another firm we've spoken to disclosed that 60-70% of the contacts in its practice management system (PMS) had no email address. Think about the impact that has on client communication, business development and what else might be getting missed. Arguably, no firm's PMS or CRM system is ever truly up to date, due to data lag and the omission of key communication insights. But these insights matter, as they're crucial for firms to determine who is talking to whom – and who isn't being talked to. It's also worth bearing in mind that 33% of respondents stated they miss opportunities within a client relationship because they're talking to the wrong people, and 30% said referrers are underserved.

Another key problem with PMS and CRM systems is that firms often invest significant amounts of money in them, only to realise they're missing the quantitative and qualitative data that helps solve these insight problems. That data on the timing and frequency of contact between the firm, clients and referrers can be exactly the information needed to highlight what's missing in a relationship.

Fortunately, there is a happy ending to this story that complements and enhances the use of existing PMS and CRM platforms. Client Sense integrates with the communication platform used by a firm (Exchange or 365) to provide the real-time insights necessary for strong, profitable relationships requiring no effort whatsoever from staff within the firm. [LPM](#)

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Brian Coventry, CEO  
Symphony – APS



crop up here too – predominately around HR/recruitment, branding/marketing and BD – which supports the views seen on our efficiency v competitiveness graph (p8) this year. Quite a few listed that they would invest in the basics: CMS, PMS and other must-have tech – these remain a solid foundation in the minds of SME legal leaders, especially for firms looking to grow. Interest in client portals and more advanced tech capabilities around their basic tech also crop up here.

Obviously, return on investment (ROI) varies depending on what that £100k spend is on, but it also varies within similar categories. For example, many who would invest in a PMS or CMS expected an ROI of 100%, but others listed they'd expect ROI as low as 20-50%. Those who would invest in automation have the most varied expectations on ROI – some want to see ROI of fivefold, others wished to see lower overheads, increased cash collection or just improved workflows. Rightly so, those who'd invest in a new website or better marketing/branding would expect more leads and revenue but also improvement in client service. The most demanding group were those who'd invest in data analytics or management information, expecting at least 500% ROI and more. See p16 for some responses.

Why do we ask these questions? It's not just wishful thinking – these may be hopes and dreams for your firm, but they're also not too far off for many of you. There continues to be a lot of consolidation, but also growth, in the SME legal space – and though cash may be tight during the pandemic, SME law firms have thrived. Many of the people surveyed and interviewed this year have thrived in a remote work environment and have been able to implement tech projects big and small. And this isn't just for those of you on the larger end of the SME market, like Ellisons Solicitors (and its recent DMS implementation); Hedges Law (and its complete infrastructure overhaul) is a good example of a smaller firm making the most of this time to modernise its practice. [LPM](#)

Given a magic wand, what one thing would you do to increase the profitability of matters in your firm?

Data analytics

Improved interfaces with third party organisations (like Land Registry)

Workflow manager in each team

If you had a magic, LPM-gifted £100k to invest for your firm, what would you invest in?

AI CRM system

Branding

Accelerated MS 365 implementation

What ROI would you expect on that £100k investment?

Millions

20%

Reduction in ongoing tech spend and greater productivity

## SPONSOR COMMENT

## PRODUCTIVITY POWER



PM's Legal IT Landscapes research in 2021 suggests that, in spite of disruption caused by Covid-19, law firms believe productivity has, in fact, increased. This coincided with accelerated migration to the cloud, as law firms have been quick to

react and respond to the pandemic, realising the value the cloud can bring to greater efficiency.

Law firms are for-profit enterprises. Each must therefore make prudent choices regarding optimising business processes and technology investments. So, how can law firms continue to unlock further productivity gains throughout 2021?

1. Law firms must truly embrace digital – at a simple level, this means not calling digital meetings 'virtual' and embracing what digital has to offer in terms of human interaction. It also means investing in cloud platforms and the right tools to simplify the user experience, thereby helping to increase engagement by integrating with the day-to-day life of employees and helping them to work

natively in applications with which they're familiar. This increases efficiencies and ensures lawyers can work on documents from any location.

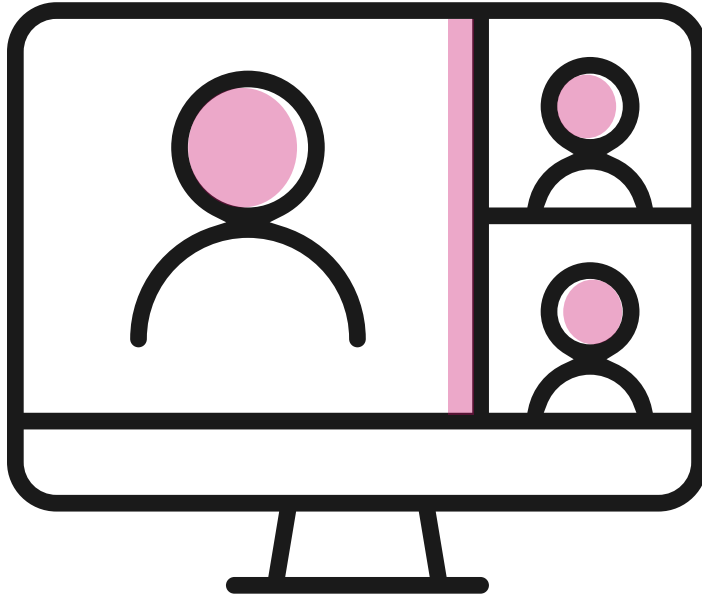
2. Law firms must enable increased collaboration – lawyers need to be able to manage, collaborate and share content effectively, both internally and externally. By choosing the right cloud platform, lawyers can enhance connectivity and provide a secure location to collaborate and communicate as effectively as they would in the office.

Digital helps business. Inspired solutions help users to be happy and productive. And having an effective cloud solution will ultimately help to drive growth. [LPM](#)

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## NEXT TO NORMAL



In past LITL reports, LPM asked SME law firms about their capacity to allow remote working and whether their office space would reach a point where there were significantly more (>10%) people than desks for them to sit at. We did this as a test of future growth vision, office space utilisation and flexible working allowances. Most firms had a traditional view of the office.

This year we asked, as driven by the pandemic, what SME legal leaders thought the new normal working arrangements would look like for their firm. On average, over half (56.8%) of staff will be working from home two or more days a week. When compared to similar questions asked in previous years, this is a significant change in behaviour. In LPM LITL 2020, when we asked 'what percentage of people in your firm regularly work from home', the average reply was only 16%. And when we asked further what percentage of staff they'd like to enable to work regularly from home, this doubled to 32%. That still doesn't come close to what leaders now envision for their staff.

Smaller firms among our respondents (<50 headcount) are more likely to allow at least 80% of staff to work from home two or more days a week (52% said this would be the case versus the 21% of those with a headcount over 50). But the smaller firm demographic is also significantly more likely to make a more traditional return to office (24% of respondents with <50 headcount saying only up to 19% of staff will do so). Larger firms in our split have a more equal distribution of vision when it comes to allowing people to work from home two or more days a week. See p18 for the full data.

Brocklesby says Bellevue Law has a relatively small office in Wandsworth but has always been set up for virtual working. It's how she started the firm. "Flexible and remote working are built into our DNA. Everyone

has different working patterns and so we actively enable staff to work as they see fit. There will still be an element of certain support staff being in the office regularly but there's no reason even our office manager can't work a few days a week from home when appropriate."

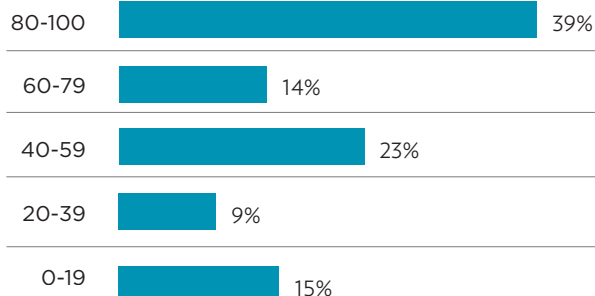
She thinks the pandemic will give rise to more firms opening in a virtual way. "It takes out a massive barrier to entry because you don't have to cover your rent from day one. Also, firms are realising that if staff don't have to be physically together to do a job, it means firms now have access to a talent pool that is national or even, subject to time differences, global. There is certainly an opportunity for the market to broaden, both with regards to talent and also client-base."

Davies at Capital Law agrees: "We're also finding



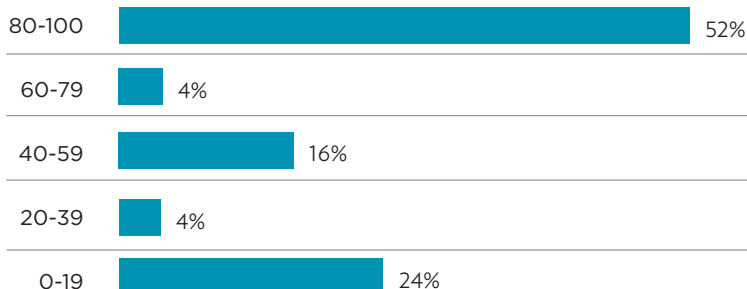
**What % of people in your firm (all workers) will, once Covid-19 is behind us (fingers crossed), work from home (2) or more days a week?**

**% WFH**



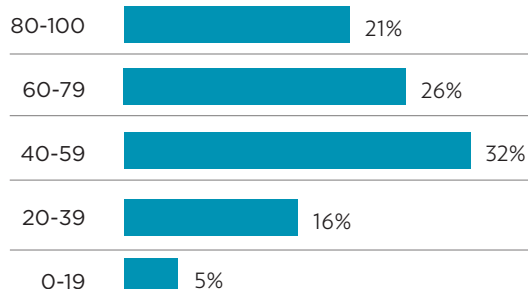
**<50 headcount firms**

**% WFH**



**50+ headcount firms**

**% WFH**



**“Firms are realising that if staff don’t have to be physically together to do a job, it means they now have access to a wider talent pool.”**

**Florence Brocklesby, principal, Bellevue Law**

that flexible working is having a positive impact on our recruitment strategy, and that is evidenced in the number of recent hires we’ve made down in our new London office.

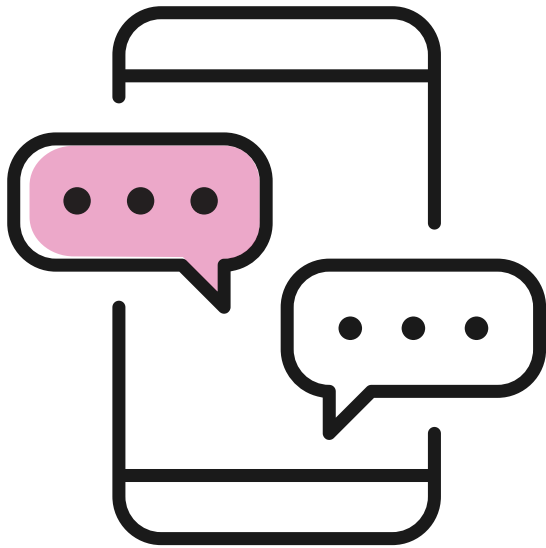
“We’re yet to make any formal decisions in this area, but it’s clear that flexible working is achievable and can hugely benefit a knowledge-based business provided the IT infrastructure can accommodate it. There’s no doubt that the pandemic has been the ultimate proof of concept. I guess the learning for us has been that, in most cases, work is something you do – where and when you do it is largely irrelevant provided you meet your objectives and deliver an outstanding level of service to your clients.”

Lobb at Morecrofts says people have certainly got used to doing things online. “And there is so much interest in being able to work and behave differently in a virtual world. Some people may have felt like they

needed to dress formally to see a solicitor; now they don’t have to do that. Virtual working is going to attract more clients, and talent as well. Work-life balance is being challenged and fee earners may want to work on more of a freelance basis. There has been a massive improvement in the element of trust involved in remote working. People are reassessing the importance of work – especially in the way it used to be done. If firms don’t adapt, they are going to lose good people who will gravitate towards businesses that can offer them that flexibility – and clients will do the same.

“We’re not rushing into getting people back into the office. It’s important that we look at individuals and see how the firm can suit their needs, and we’ll try to accommodate that. A tricky area that may see a return to a more traditional way of working might be around paralegals and trainees. They benefit from more contact with people, a lot of what you learn is by absorbing what’s going on around you.”

When it comes to people and performance, Turner at Ellisons Solicitors says: “The way we monitor productivity is, obviously, via billable hour but the other way we track it is in terms of our pipeline – how many new cases have been opened each day? Since we have given our people the ability to work from home and the flexibility to work as they see fit, we have seen an increase in productivity. But we also don’t want people to burn out; it’s easy to get overloaded with work and life when it’s happening in



the same space, so we want to make sure people are working as comfortably as possible and give them whatever support they need.

"All the post coming in since the beginning of the pandemic has been scanned and distributed centrally. We'll continue to build up our electronic files with the help of our DMS. There are many people who are keen to get back into the office, but I think the new norm for us will see more people working from home more regularly."

Like many firms, he says, there was one particular partner who had always been dead set against remote working, who felt that they needed to see the team and be in the office to work on the files. Now, with the DMS and the mass remote working, this person has completely flipped the other way.

"People get caught up in a one-size-fits-all approach. Now our conversation with staff will be about giving them the ability to work efficiently, however suits them best."

Edwards at Hedges Law sees similar gains in productivity as a result of being more flexible: "Our new system has allowed us to work from home as efficiently, if not more so, as we did in the office. It has a great visibility tool – we're able to see how teams are working, look at productivity levels, efficiencies and time recording. We have full transparency around how time is being used and where it is being wasted."

"We realise going forward that we ought to be more flexible, both for ourselves and the client. With everyone working a typical nine-to-five, services are not easily accessible to the client unless you work around them. So why don't we? We're still working out the logistics of the new normal, but we want to enable our people to work the hours they want to work and to work in the hours that suit our clients."

She envisions about 90% of staff working remotely regularly, and the remainder would be working flexibly in and out of our Hub in Wallingford. "There will still be people on the ground to help with post and scanning where it is still necessary to do so, and people will pop in as they need for client meetings. But largely, if a client wants to meet in a coffee shop or elsewhere, we don't see why our lawyers can't do that after the pandemic, as long as confidentiality is considered." **LPM**

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## AN AYE TO THE FUTURE



In LPM LITL 2020 report, when asked 'what percentage of people in your firm regularly work from home', the average response was only 16% – what a difference a year makes! We've all been proved wrong. This year, when asked what the new normal working arrangements would look like for their

firm, firms responded that, on average, over half of all staff will be working from home for two or more days a week. Our mindsets have been shifting and, overall, there has been an increase desire for a more agile and modern work model – homeworking could be here for the long-term. So, this brings us to an important question: Are firms prepared for permanent and sustainable homeworking?

Interestingly, when asked, 'how has moving people to remote working affected your firm's cybersecurity risk', 40% answered that there's more or much more risk involved for their staff. Yet IT expenditure is once again low across the board this year as per the previous year, with SME firms spending 5-6% of their revenue in this area (let alone on cybersecurity) and perhaps serious food for thought in the next financial year. Now more than ever is the time to explore new security measures that can keep your firm safe as well as provide a joined-up approach to handling and storing confidential data. Many solutions are available; some lie in automation processes, moving your work to the cloud or, even better, exploring secure client portals. Portals act as legal platforms, allowing your firm to have a collection of bespoke innovative products under one very secure and readily accessible roof, where the firm can pick and mix which products it needs to best serve its clients and staff.

The implications and associated costs of finding both new and effective automation shouldn't be a barrier to entry. Partnering with a legal IT software specialist will guarantee your investments go further and ensure your team is given the best start when getting to grips with these new challenges. As 33.3% of SME legal leaders see 'bigger firms than mine' as their top threat, delaying any investment into new automation processes will continue to put these firms behind many of their larger competitors. Automation brings a wide range of benefits to SME firms, which they simply can't afford to miss out on – it reduces errors and enables more accurate data capture, frees up fee earners' time to focus on more important work, and drastically reduces costs, thus improving efficiencies and gaining that all-important competitive advantage. The next year could prove to be the most challenging IT one yet – we shall see! **LPM**

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Gary Shaw, commercial director  
Accesspoint

**Accesspoint**  
Group Holdings

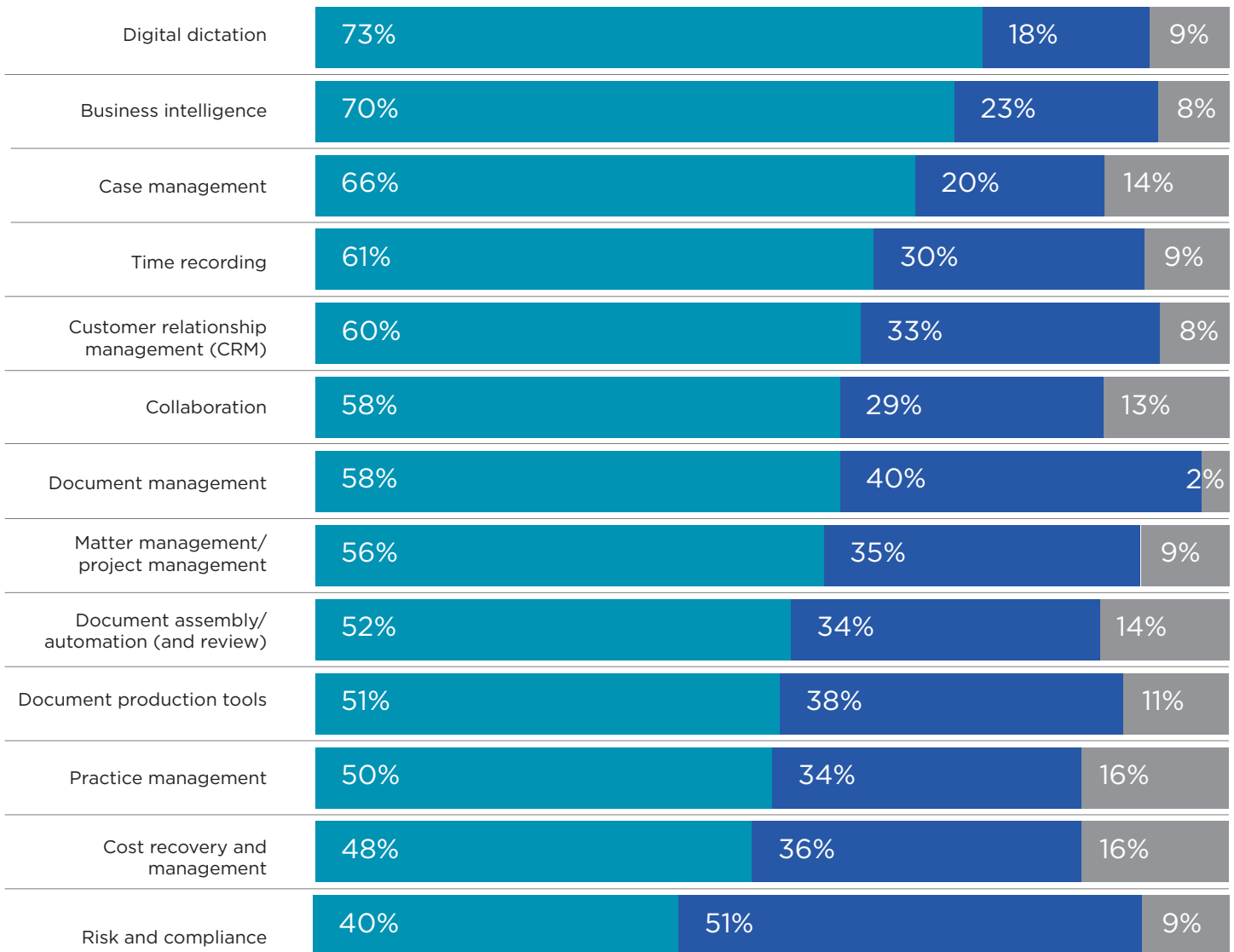
Over the past few years, SME law firms have become ever more willing, and equipped, to use the cloud. The biggest thing to note is that use of 'fully or mainly on-premises' technology continues to reduce significantly, with more firms choosing a hybrid or fully cloud approach.

O'Rourke says Ashtons Legal was fairly fully cloud before the pandemic hit. "All that the pandemic has done for us, unfortunately, is erode some of the areas we felt we had a competitive advantage in. Suddenly, all firms realised the need to be able to scale up things rapidly and so the shift to cloud and other technologies that we've already invested in have become commonplace."

Capital Law is on the journey to becoming one such newly cloud-full firm. Davies says: "By early summer we'll be a purely cloud-based organisation. We have just kickstarted the migration project from on-premises to a private cloud running virtual apps and desktops. This will give us a more secure and resilient environment, as well as improve the end user experience, which is difficult using VPNs. The business has ambitious growth plans and moving to the cloud will allow us to scale accordingly. It also means the IT department can become more strategic and innovative rather than just keeping the lights on."

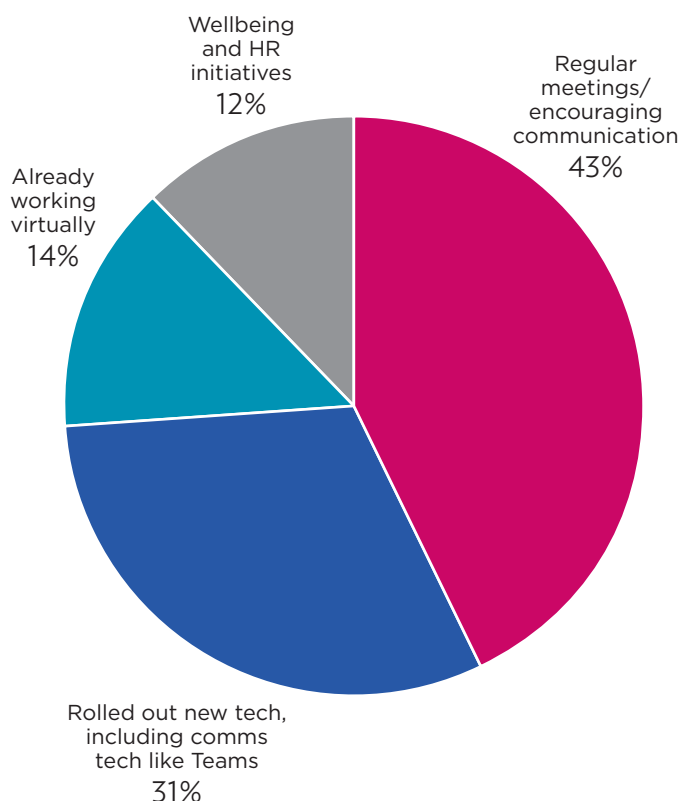
Lobb at Morecrofts has taken a hybrid approach. "We were fortunate enough to do a massive

### In four years' time (in 2024), how cloud-based do you think these systems will be in your firm?



■ Fully or mainly in the cloud
 ■ 50/50 on-premise/cloud
 ■ Fully or mainly on-premise

What are the best things your firm has done to ensure people are still connecting properly while they're remote?



technology upgrade in January 2020 before the pandemic hit. It enabled us to get everyone working remotely when we needed to. Before this, we were completely on-premises. We decided to go for a hybrid cloud and on-premises approach – and this may change again in the future but for right now it's perfect for what we need.

"I've heard horror stories from other firms where their servers couldn't work with everyone suddenly working remotely – and they had a lot of downtime while they raced to fix and patch things to become operational again."

In terms of the individual tech moment in the cloud this year, there are some things to note. 'Cost recovery and management', 'document assembly/ automation' and 'document production tools' have always been the tech most used on-prem – but they are becoming more cloud-based at an increasing rate. PMS also remains highly likely to be used on-prem – perhaps because of legacy systems still lingering – but all in all it has a very cloudy future. 'Risk and compliance' sees similar movement from on-prem to cloud.

'BI', 'collaboration', and 'digital dictation' remain the top cloud champions. A big change to this year's cloud results, however, is the introduction of 'CRM' soaring high in the clouds – which in past years has been more heavily grounded on-premises relative to other technologies. [LPM](#)

## SPONSOR COMMENT

## WILLINGNESS TO THRIVE



Automation, streamlining, workflow enhancements – these were some of the repeat priorities for IT and business process improvements coming out of the LPM LITL report this year. This was reflected again in project priorities if a magic wand could be waved or an extra £100K injected. Year

on year the trends here have been quite similar, but this year, with the dramatic change to homeworking as the normal and a reduction in the classic support to fee-earner ratio model, the urgency to automate more of the administration of case and matter management is more pressing. Why? Two main reasons: firstly, fee earners are having to look after themselves more, especially around administration, and so anything that eats away at their productivity and billable time is a problem. Secondly, law firms and lawyers have figured out that a lot of the technology, software solutions and automated processes actually work, are cheaper than lots of support staff, are reliable and of assured quality and they don't want to go back to the old model post enforced lockdown.

This means that there's a greater willingness to embrace automation and workflow streamlining along with greater use of digital tools and online processes. The appetite for more client portal-based administration is also evident in the report, reflecting the same thinking.

We asked a secret question in the report: Agree/disagree: "Increased remote working has forced lawyers to become more self-sufficient, relying less on administrative staff and more on technology to manage their workload." Of answers received, 75% stated they either agreed or strongly agreed with that statement. Therefore, the dial has shifted. Why would 75% of recipients want to go back now? Some might, but there has been a cultural shift to accepting self-sufficiency as the norm, albeit with the appetite to continue to invest in taking off the heavy admin load through aforementioned automation projects.

What is of interest is that some of this prioritisation is linked to magic wand wishlists; does this mean that firms either don't have the funds or (not quite yet) the appetite to prioritise more progressive automation projects? Given that the world is about to unlock, but the same LPM LITL report states a majority of respondents are declaring homeworking will be the norm 50% or more of the time, it is clear that wishlists have to become to-do lists. Without it, more and more people may want/need to come back to the offices the majority of the time, and with it, the savings firms anticipate they can make would surely dissipate. [LPM](#)

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David Fazakerley, legal CIO

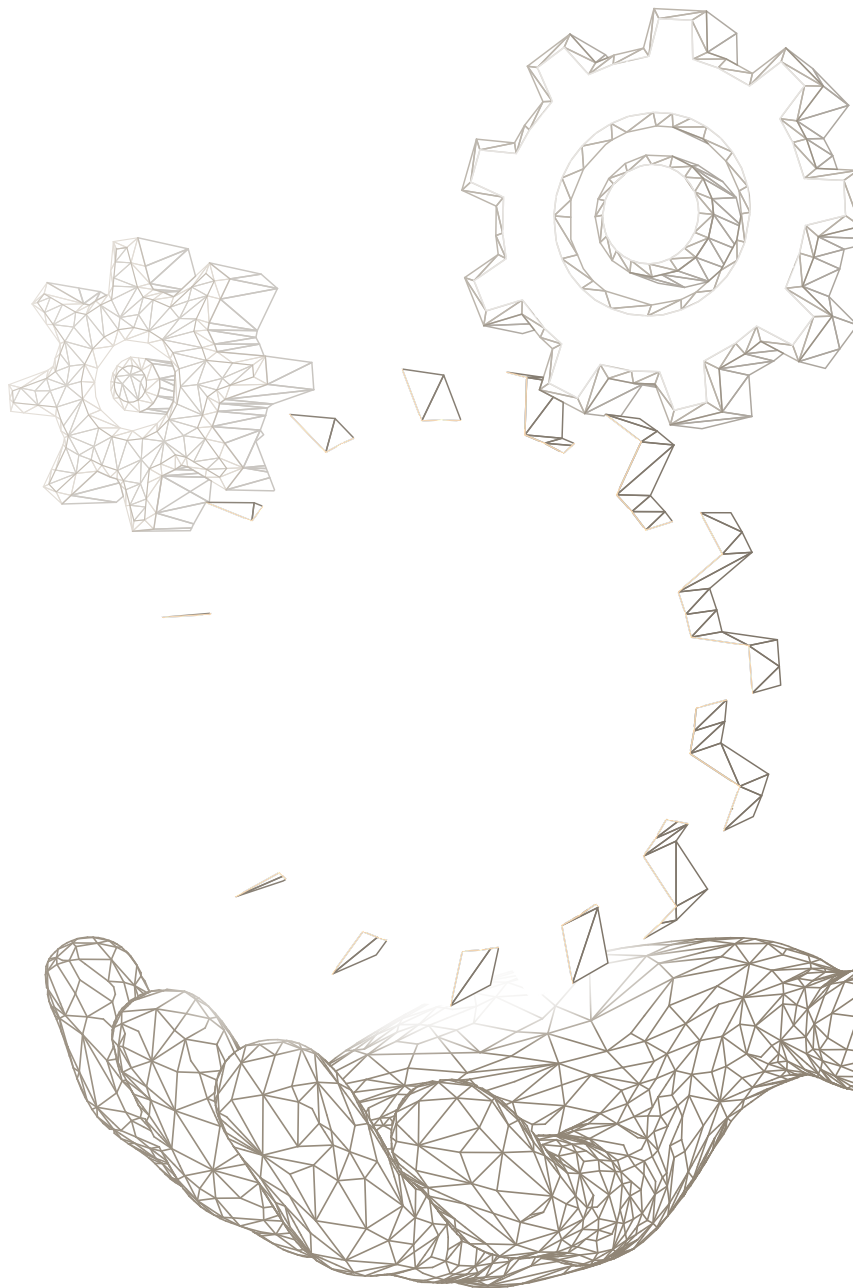
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Last, but certainly not least, everyone's favourite tech area: cybersecurity, and this year it's not being swept under the rug. It has moved back up within our competitiveness v efficiency graph (p8), ever so slightly increasing in mentions as an area top of SME legal leaders' minds. Interestingly, it has moved up more on the efficiency side – perhaps because of the newfound focus on remote working and virtual processes has meant that SME legal leaders are finding ways to improve efficiencies in cybersecurity practicalities.

This year we ask respondents how the move to remote working, en masse, in 2020 has affected their firm's cybersecurity risk position (p24). A huge portion of respondents (41%) think that there is more or much more risk as a result of their staff working from home. This will come with a huge push for new cybersecurity best practice – or, at the very least, re-cement the importance of training and awareness among staff.

Interestingly, the perception of half (52%) of SME legal leaders surveyed around cybersecurity risk over the course of the pandemic is that it has remained 'about the same' as previous years. Perhaps SME legal leaders have become better at mitigating risk in a virtual world ... or perhaps they're a bit too naïve?

Davies at Capital Law says that it does appear that firms are getting better at managing cyber risk and educating their end users. "However, the fact that we have flipped from a largely office-based workforce to a remote workforce for the last year has undoubtedly increased our risk profile and forced us to review our IT strategy and staff training.

"Previously, we supported only two offices, whereas we're now effectively supporting 200. And with multiple lockdowns, home schooling and so on, it's

“Staff don't have that immediate support to ask if an email or transaction request is legitimate the same way they can working together at the office.”

**Alison Lobb, managing partner, Morecrofts**

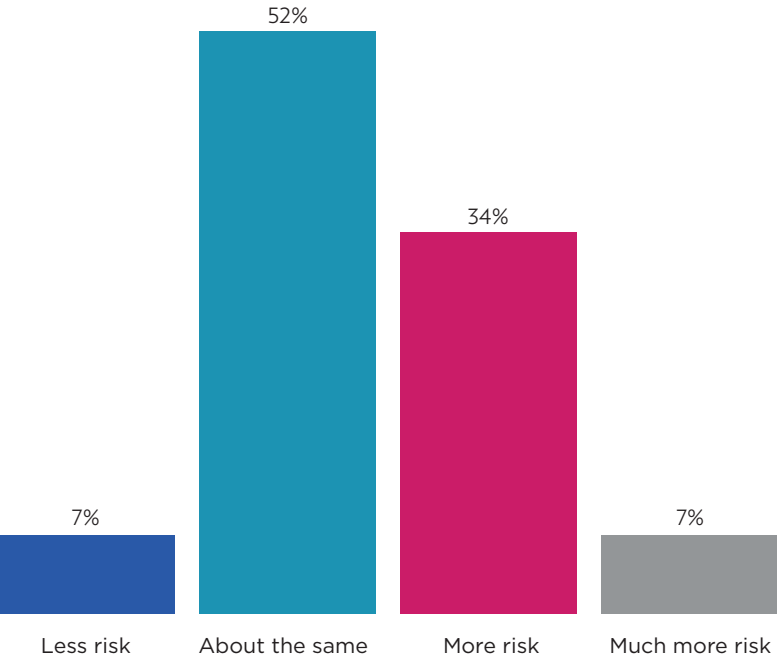
inevitable that staff become distracted at times and are more vulnerable to social engineering cyberattacks. Also, with our current setup, ensuring 200 laptops are patched correctly and compliant becomes a lot harder when users are geographically dispersed across the UK.”

To mitigate these risks, Davies adds, the firm has increased its end user training, improved event monitoring and hardened security by only allowing registered corporate devices to connect remotely to our internal network.

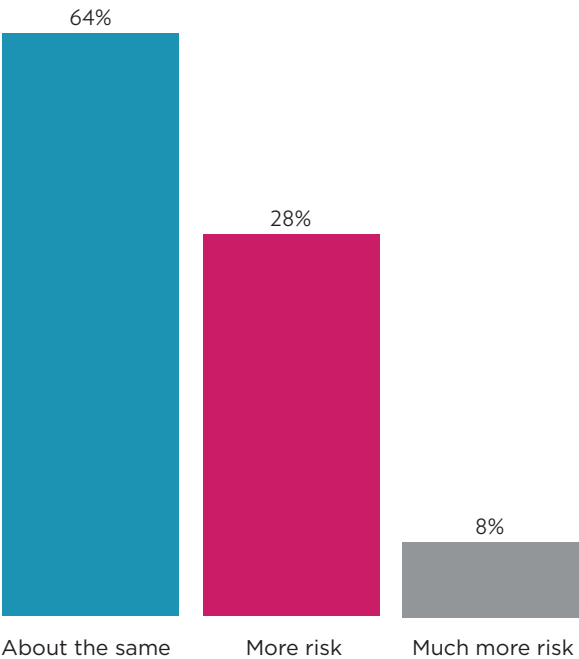
O'Rourke says Ashtons Legal sees regular attacks of all sorts – from basic phishing scams or CEO mail attacks through to malware trying to install itself on our system. “Remote working has increased that risk. The likelihood of a colleague clicking on a link they're uncertain about increases when they don't have someone they can immediately turn to and ask what they think.

“We have very robust training around data protection and cybersecurity, which we didn't change this year – however, we did change our VPN sign in. Most of our staff already had laptops before the pandemic and, historically, we had a remote desktop via Citrix, but we realised that was less secure for us.

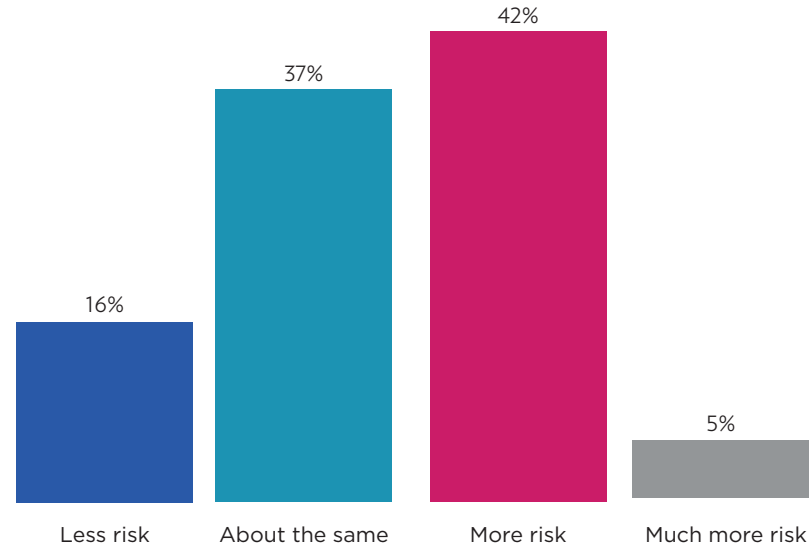
How has moving people to remote working en masse in 2020 because of Covid-19 affected your firm's cybersecurity risk position?



<50 headcount firms



50+ headcount firms



SPONSOR  
COMMENT

## PERCEPTIONS V REALITY



**R**ead between the lines and cybersecurity is, in fact, a critical theme connecting most responses documented in this report. There's a clear disconnect between the perception of cyber risk, the desire to adopt technology in an industry traditionally reluctant to embrace digitisation, and curious reports that the number of data leaks remains the same since before the Covid-19 pandemic – despite more dispersed working practices.

That last point runs counter to broad evidence suggesting that working from home has directly led to increased cyber risks across every sector – the opportunities for breaches have simply multiplied. Perhaps, eager to demonstrate their readiness for continued remote working, law firms are now not only comfortable with migrating to the cloud, implementing automation and upgrading their tech in general, but are also confident that changes to their IT infrastructure are the answer to enabling growth and gaining competitive advantages. In particular, demand is high for better hardware that helps get the job done, and billable hours inevitably remain front-of-mind. However, the mere suggestion that change is afoot represents significant risk. As for perception of cyber risk, the indicators suggest the legal profession is still lagging behind.

Based on these findings, top of our agenda is providing topical predictions for future ways of working combined with support for building cyber risk awareness. We believe there's work to be done to make cybersecurity issues fundamentally more accessible to lawyers, and talking in plain terms about the commercial benefits is crucial to achieving this. Implementing the Cyber Essentials Plus framework, for example, is an opportunity for firms to differentiate themselves in a market where survey respondents say "firms like ours" in their own geographies represent their second-biggest commercial threat over the next five years.

Unfortunately, while 70% of firms claim to have factored the government-backed certification scheme into their future plans to protect against common cyberattacks, most decision-makers have yet to realise or act upon the potential return on investment this can also deliver.

As firms opt for a more permanent split between home-based and office working, we'll be keen to see if recognition of their responsibilities to provide adequate protection for information assets will keep pace with the rate at which legal is exploring new environments in pursuit of greater market share.

A suite of shiny new devices without the security infrastructure to match brings the magpie out in your average cybercriminal. The good news is having the Cyber Essentials Plus, a badge front and centre can be enough to deter a thief completely. [LPM](#)

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Paul Maxwell, director  
Stratia Cyber



So we scaled up our VPN network, which made our back office technology more secure."

This goes to show that not all approaches to cybersecurity are the same, nor right, for all SME law firms. Where Ashtons Legal uses a VPN network, Capital Law does not (mentioned on p20).

Lobb at Morecrofts agrees that there is so much more risk with people working remotely. "Staff don't have that immediate support to ask if an email or transaction request is legitimate the same way they can working together at the office. It requires more effort to pick up the phone, and everyone is deluged with emails at the moment so it's easier just to click. And some people may be using personal devices to do bits and bobs.

"We subscribe to a really good online training system, which includes things around code of conduct, anti-money laundering, and wider cyber threat landscape, and we made everyone do it again recently. Any training has to be interactive and engaging – there's no point sending out a list of things to look out for in an email. We want people to think about targeted emails and who would be most vulnerable to receiving certain types of communication. In the past, we have listened in to a live hack – and this is the sort of energy of cyber engagement we need to continue to emulate."

In terms of this increased risk playing out as cybersecurity breaches, luckily – or, perhaps worryingly – the vast majority (70%) of respondents said they saw about the same number of cybersecurity leaks/breaches in 2020 as they did in 2019 (data on p26).

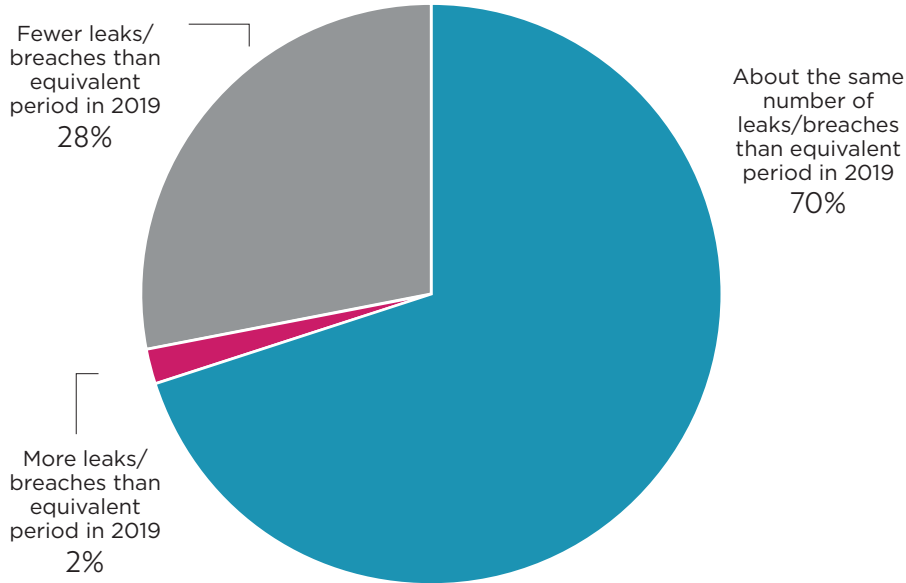
Only 2% of respondents said that they saw more leaks/breaches during the 2020 pandemic than in the previous year. An optimistic view would be that SME law firms were forced to roll out new, agile tech with up-to-date security protocols because of the pandemic, which saw better coverage of their data. This would support the 28% who said they saw fewer leaks/breaches. It's important for SME legal leaders to recognise the increased risk profile of their firm and act accordingly – apparently that has been the case, but if the risk profile has indeed increased, firms ought to be ever vigilant.

Bigger firms in our split (50+ headcount) are perhaps more likely to admit that they experienced more leaks/breaches than smaller firms – 5% of firms in our bigger profile said this was the case and not a single firm with <50 headcount did.

This is also interesting when compared to the fact that more firms in our smaller split said their risk profile has remained about the same since the mass move to remote working (64% of <50 headcount firms said this versus only 37% of 50+ headcount firms). And a higher percentage of our bigger firms said there was more or much more risk (47%) versus only 36% of smaller firms.

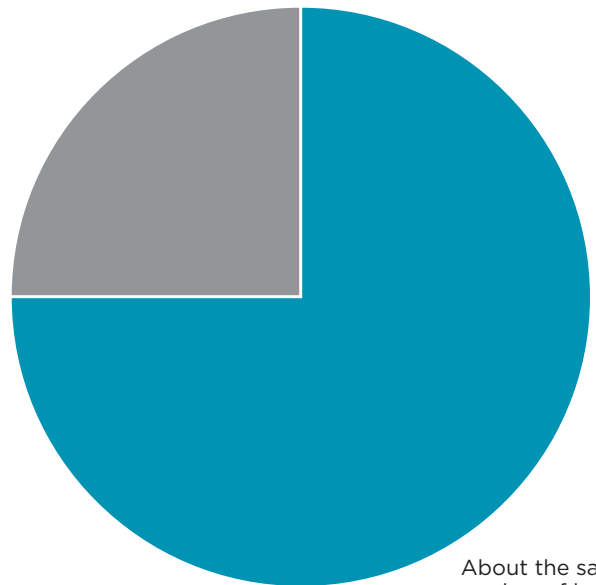
Cyber risk is here to stay, and any firm that doesn't think it's being attacked is ignorant to what is actually going on within the business, O'Rourke at Ashtons Legal says. He adds that SME law firms shouldn't think that, just because they aren't big companies, it doesn't mean they aren't big targets to cybercriminals. [LPM](#)

**How has moving people to remote working en masse in 2020 because of Covid-19 affected how many cybersecurity leaks/breaches your firm has had?**



**<50 headcount firms**

Fewer leaks/  
breaches than  
equivalent  
period in 2019  
25%

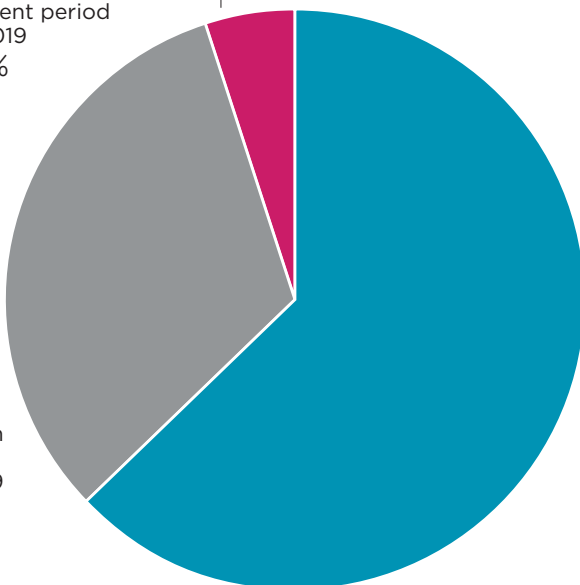


About the same  
number of leaks/  
breaches than  
equivalent period  
in 2019  
75%

**50+ headcount firms**

More leaks/breaches  
than equivalent period  
in 2019  
5%

Fewer leaks/  
breaches than  
equivalent  
period in 2019  
32%



About the same  
number of leaks/  
breaches than  
equivalent period  
in 2019  
63%

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**Cyber Risk Management** – Understand the risks to your information and services.



**Cyber Certification Services** – 100% pass rate assisting businesses to achieve ISO27001 or Cyber Essentials Plus.



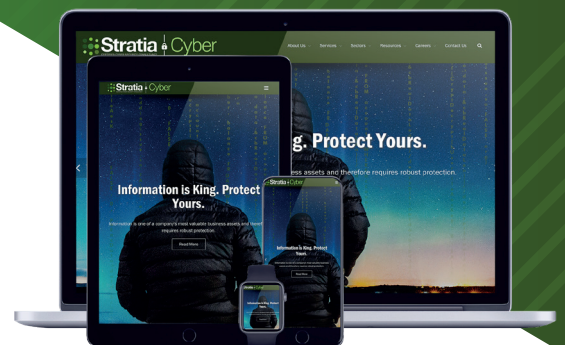
**Penetration Testing & Vulnerability Management** – Identify and understand your cyber security vulnerabilities, making it more difficult for attackers to be successful.



**Cyber Incident Management** – Enable your practice to be prepared before an incident arises and recover quickly if it does.



**Cyber Maturity** – Full 360 degree viewpoint showing the effectiveness of your, or your Third Party suppliers, cyber posture.



**We are a leading cyber security consultancy. We have been verified and assured by the National Cyber Security Centre (NCSC) to deliver cyber services and are a CREST approved penetration testing company.**

Understanding that protecting the availability, integrity and confidentiality of your business information is key to your success. Our business focus approach has supported businesses to grow in a secure cyber resilient manner.

STRATIA CYBER is assured by the National Cyber Security Centre to deliver cyber security services. It has assured mission critical systems for Government bodies and commercial businesses both in the UK and abroad.

