

The Next Chapter in the Future of Law Practice



Abingdon Regional Bench Bar Conference

September 23, 2022

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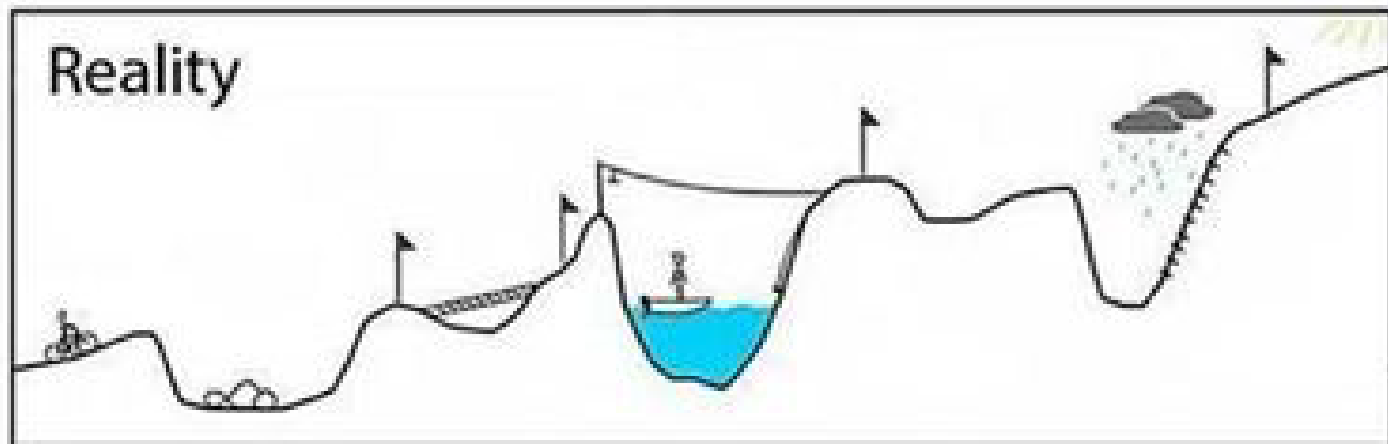
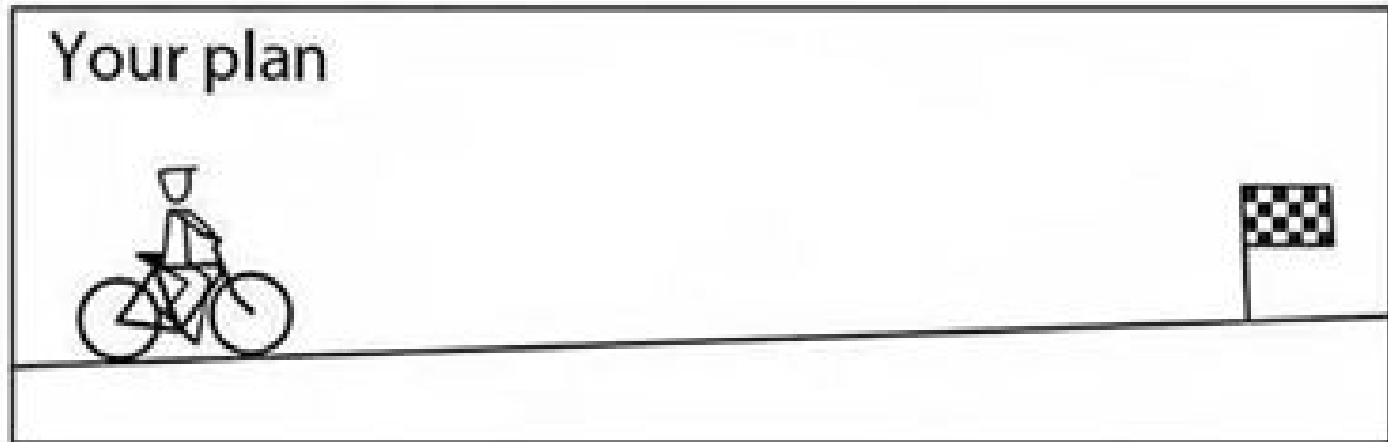
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You had a
plan for your
law firm ...
and then ...
March 2020





A whole new
world

The company asked them to come to work with clothes they used to wear on their zoom meetings 😂

Facebook post
April 2022





“The intriguing question, however, is whether the industry that bounces back will be the same industry that entered the pandemic.”



December 2021

Quinn Emanuel

John Quinn: All lawyers
can work from home . . .
permanently.

What are law firms thinking in 2022?

- John Quinn is the exception
- Ultimately most firms say bring everyone back - or
- Hybrid work force, 3 days in office common



What most law firm leaders believe

Working from home is less productive

Law firm culture is damaged

Less collaboration

Harder to mentor younger lawyers

Harder to train those just out of law school



How do you keep the firm's culture in a work-from-home world?

What many lawyers/staff want

- Work-life balance
- No commute
- Flexibility to care for children and aging parents
- BUT, they worry they will be less likely to advance in the firm



The Great Resignation

- Department of Labor
- 4.3 million people quit their jobs in August 2021
- 3% of the nation's work force
- 4.2% in June 2022
- 4.2% in July 2022



Work from home? The office? Hybrid of both?

- 2021 survey by global staffing firm Robert Half
- 26% want to be fully remote
- 25% want to be fully in the office
- 49% want a hybrid model
- March 2022 ContractWorks survey
- 250 lawyers – 2/3 wanted hybrid working but many employers are bringing lawyers back full time



Lawyers re-evaluating their lives



- What if . . . ?
- Retiring early
- Rethinking their careers
- Reshaping their lifestyles
- Creating better work/life balance
- Leaving crowded cities
- “Digital Nomads”



Law firms feel pressured

- Will they lose lawyers and other employees without hybrid model?
- Is bringing everyone back worth that risk?
- Will different rules for different people cause resentment?
- Pressure from clients too
- Some ok with remote work
- Others demanding office meetings AND travel



October 2021 ABA Journal

Texas law firms offering signing bonuses as high as \$500,000 to lateral associates

\$50,000-\$100,000 – not uncommon elsewhere

Often require that the lawyer stay for one year

August 2022 Bloomberg Law



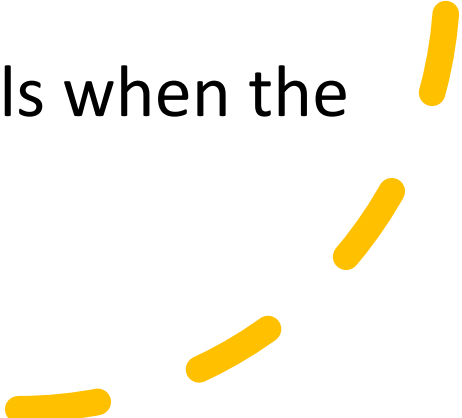
- Lateral hiring has cooled
- Compensation increased 17.5% in first half of 2021
- 8,000 lateral hires in 2021
- On track for 5,000 lateral hires in 2022, close to 2020 levels
- The demand for associates no longer exceeds the supply
- Firms realized they over-hired and overpaid, market has cooled

Clio CEO Jack
Newton:

“We moved 10
years into the
future in 10
weeks.”



Clio Legal Trends Report Law Firm Objectives for 2021

- 96% say they'll store firm data in the cloud.
 - 95% say they'll support electronic documents and signatures.
 - 96% say they'll accept electronic payments.
 - 96% say they'll use practice management software.
 - 83% say they'll meet clients through videoconferencing.
 - We'll know if they met these goals when the 2022 reports come out!
- 

Clio Legal Trends Report

- Clients and lawyers - offices are not very important. More than half of consumers believe most legal matters can be handled remotely.
- Before the pandemic, 21% of law firms were operating without commercial office space.
- Since the pandemic, another 7% of lawyers have given up their commercial offices.
- 12% are unsure they'll keep them in the future.
- The larger firms will no doubt keep offices but may scale them back – and certainly reconfigure them. A lot of subletting going on.



Clients don't
buy billable
hours – they
buy results

Permanent changes likely

- More efficient use of office space
- Rethinking changes in staffing
- Reducing levels of secretarial support
- Reducing expectations for in-person meetings
- Increasing the efficiency of digital connections
- Reducing business travel





Bloomberg Law 2021: Future of the Legal Industry

Questions we're asking:

- Is this really needed? (Office space, new technology)
- Do I need to be at work? Maybe some of the time
- Do I need to be at conferences, depositions, networking events, mediations, etc. or can I do them remotely? Most, remotely
- What technology do I need to learn? Billing, collaboration tools, contract management, drafting, legal research, file sharing, timekeeping...



Future-
proofing your
law firm

Digital marketing catches fire

- 2021 Interaction Marketing & Business Development Survey
- Published May 2021 by LexisNexis Interaction
- 2/3 of firms reported business development more difficult once pandemic hit
- 70% reported changing strategies

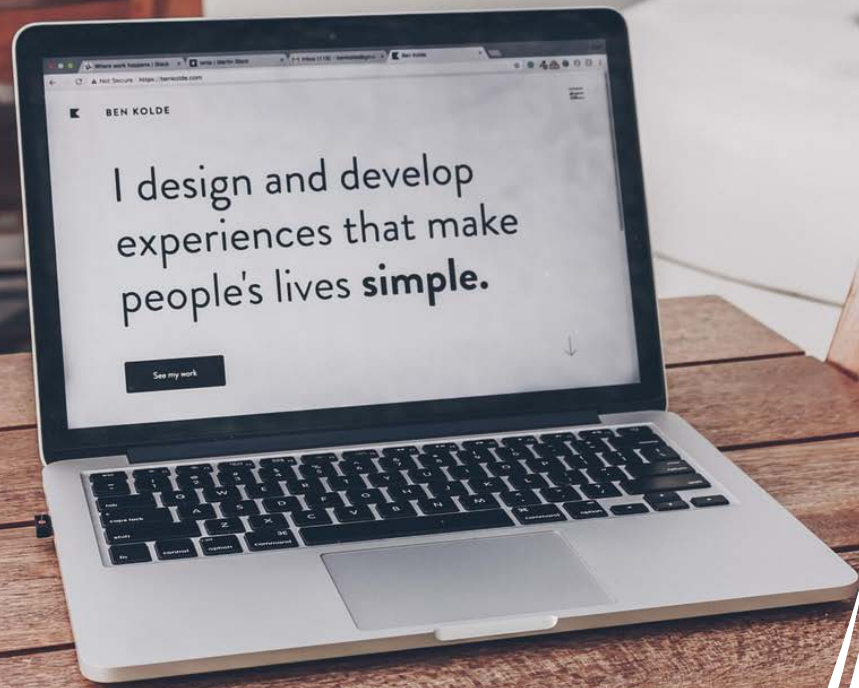


Digital marketing catches fire

- Loss of in-person marketing, conferences, lunches, meetings, etc.
- Firms embraced webinars, podcasts, social media, email alerts and Zoom
- More than a third of firms now have podcasts
- Ways to showcase expertise, connect with potential clients
- 75% use email marketing
- 60% use a client relationship management (CRM) tool
- Critical to track metrics

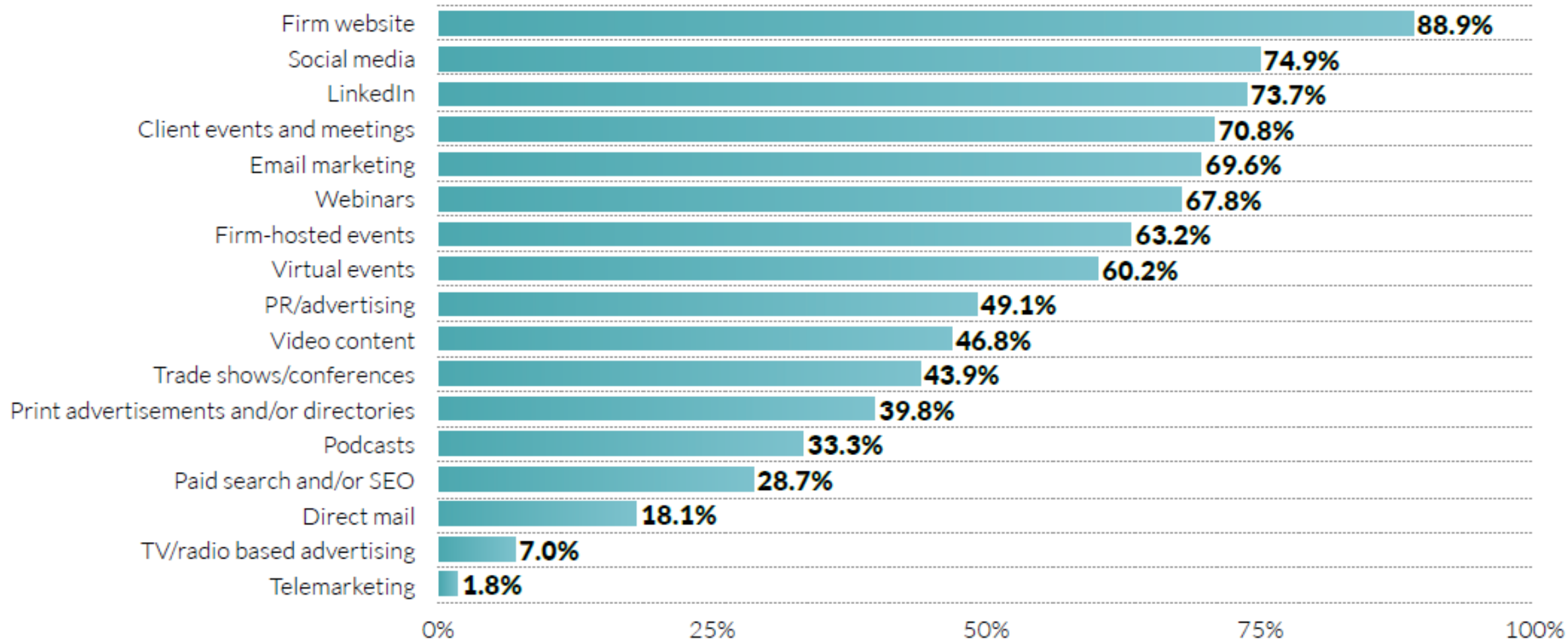


Revisit your law firm website



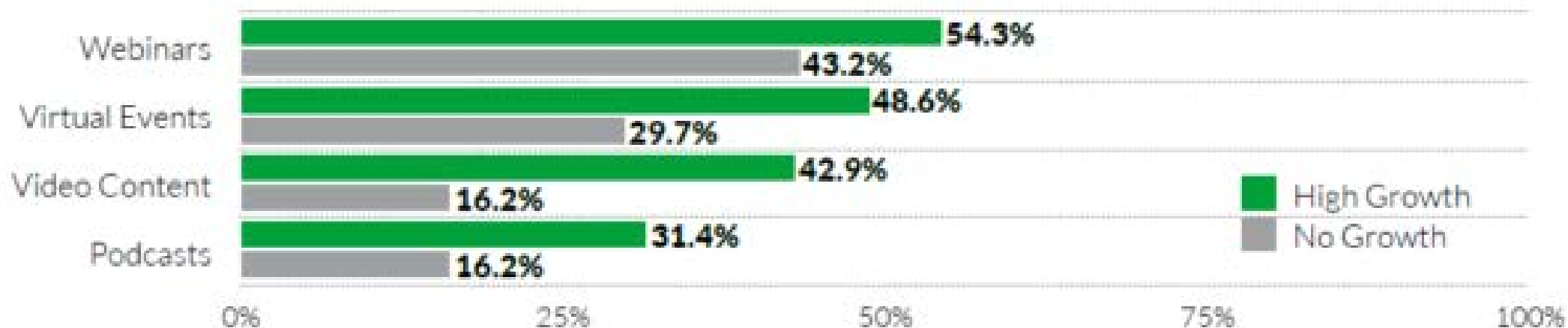
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- Less text, more white space, images, videos
 - SEO – how fast does your website load? BIG factor for Google now
 - Is your website optimized for smartphones?
 - 50% of website traffic comes from smartphones

Marketing Techniques Law Firms Are Currently Using



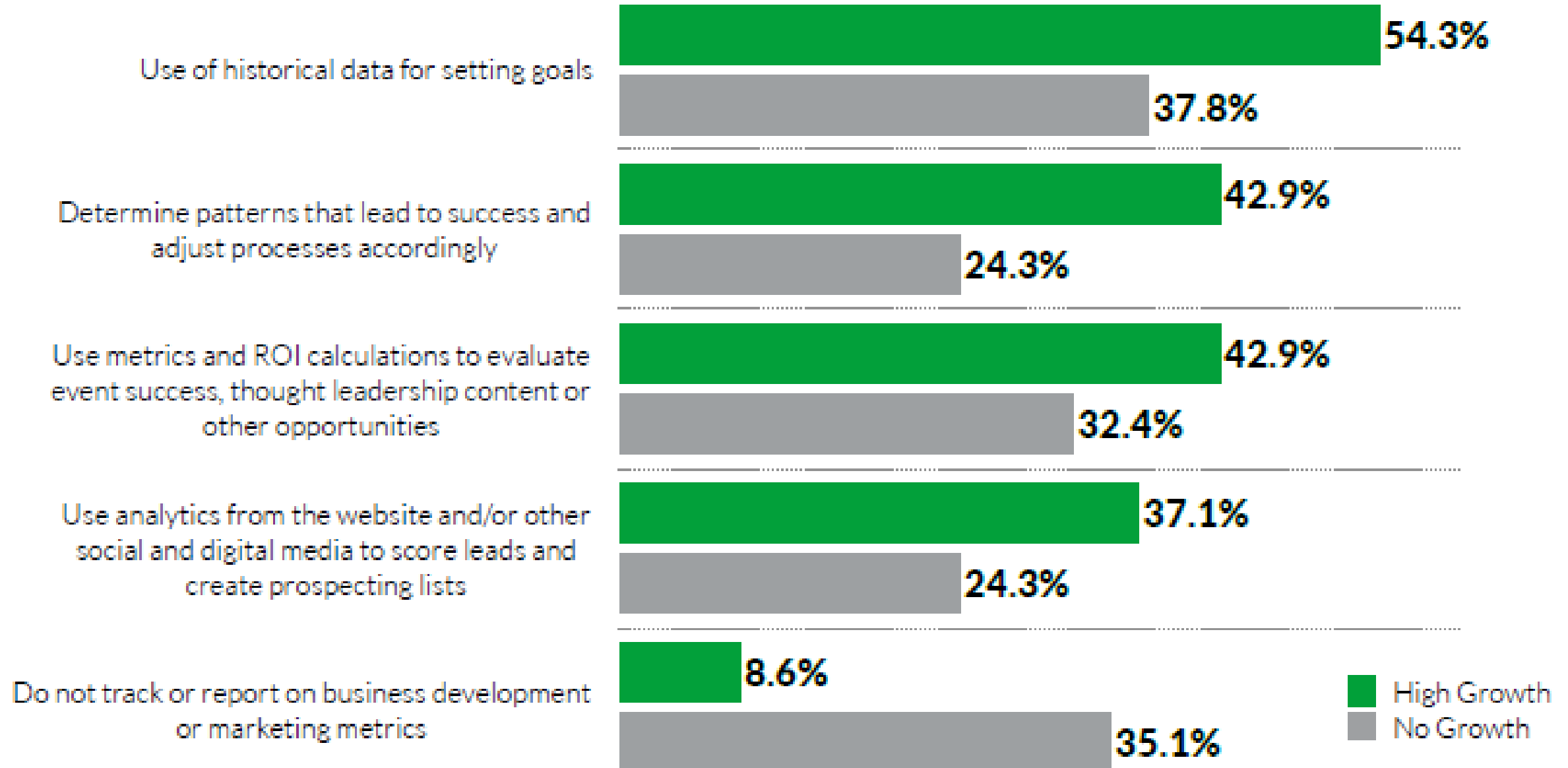
[2021 InterAction Marketing & Business Development Survey](#)
[May 2021](#)

High Growth Law Firms Utilize These Techniques Substantially More than No Growth Firms





High Growth Firms Differ Greatly When It Comes to These Tracking Techniques





Transforming courts

- Remote court proceedings had bumps, but became a great success
- E-filing in many state courts, email correspondence between litigants/attorneys and court clerks
- Texas court system never had a civil hearing via video, but handled 1.1 million civil and criminal remote proceedings from March 2020 to February 2021
- Even when courts are fully open, many judges predict that some proceedings will remain remote

TIME
FOR
CHANGE

Legal conferences

- January 2022 – Legal Week deferred until March
- CES held, but attendance (vendors/attendees) was small, ABA TECHSHOW 2022 attendance down
- Other conferences delayed or canceled
- Webinars becoming more popular than live programming
- Attorneys lose networking but no need to travel
- Most large conferences predicted to be hybrid

ILTACON

The premier educational and networking event for
the legal sector.

21-25 AUGUST 2022

GAYLORD NATIONAL | NATIONAL HARBOR, MD USA

- Over 3000 attendees – no virtual component
- Over 165 exhibitors



LAW PRACTICE TIPS

PUBLISHED BY JIM CALLOWAY

The Changing Dynamics of a “People Law” Practice

By Jim Calloway on June 25, 2021

Do you practice People Law? There has long been a perceived difference between large law firm practice and small law firm practice. But, in my view, the major difference is not the size of the law firm, but the type of clients primarily served.

Providing Limited Scope Representation will continue to grow— providing revenue for lawyers and more affordable representation.

- The courthouse can be confusing maze to the first-time user.
- Online services provide only form generation.
- A lawyer can provide legal advice and the completed documents as well as explaining how the local court operates (including where to park.)



Case management is essential to compete



Clio®



PRACTICEPANTHER



Tabs3
Reliable Software. Trusted Service.



rocket matter



mycase



AMICUS®
ATTORNEY

Client portals – a must have service for law firms

Clio, Rocket Matter, MyCase, virtually all case management systems





- Electronic payments are critical - 50% of firms don't accept them (source: LawPay)
- Check out Lawpay's ClientCredit coming in spring 2022
- You get 100% of fee up front, client pays over time, LawPay has all the risk – you must make sure client understands the process
- Hold monies in trust account until earned!

Law firms accepting cryptocurrency?

- Perkins Coie, Steptoe & Johnson and Quinn Emanuel Urquhart & Sullivan accept cryptocurrency
- But many are not
- DLA Piper said limited demand to make payments by cryptocurrency - it is not worth the trouble to create the infrastructure
- More small firms accepting – lack of ethics rules hinders – NV and DC, pending LEO in VA





Electronic
signatures/electronic
contracts

DocuSign, Adobe Sign

BUSINESS COMMUNICATIONS

The Complete Guide to Unified Communications as a Service (UCaaS)

BY JOE MANNA



Increasing move to REALLY adopting alternative fee arrangements

- Fixed fees
- Subscription plans
- Fee caps
- Success fees



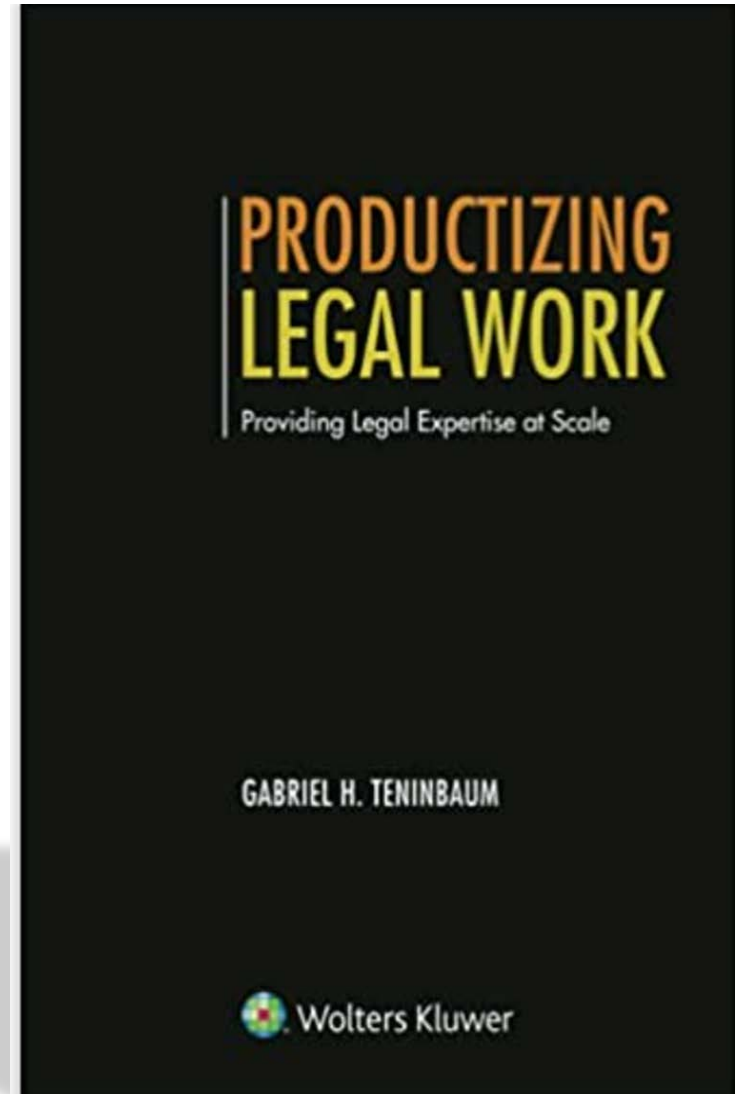
The next big thing?

- Legal technologist Richard Granat predicts productized legal services
- “A software application that enables a user to solve a legal problem without the assistance of services of an attorney.”
- Make money while you sleep
- Interactive legal forms that consumer purchases online
- An application that analyzes contracts and spots errors or omissions



Productizing Legal Work

- Interested in some in-depth information of productizing legal work?.
- See Professor Teninbaum's recent book on the subject:
<https://www.amazon.com/Productizing-Legal-Work-Providing-Expertise/dp/1543835171>
- Priced at \$135 (Kindle \$108)



- ALPS Cyber Response is your one-stop breach response solution. Available as a separate cyber liability insurance policy for as low as \$65 per attorney, ALPS Cyber Liability Insurance is cyber coverage, offered exclusively to our lawyers' malpractice insurance policyholders. Higher limits, up to \$1M are available.
- Since 2000, **ALPS** has been your **Virginia State Bar** endorsed lawyers' professional liability insurance carrier.





What **SOME** firms have been doing

- Increased reliance on allied professionals and specialists
- Improved internal operating systems
- Expanded partnering and outsourcing of services
- Created “captive” subsidiaries for legal related services
- Expanded use of technology to improve legal work processes



Trends reshaping law firms

- New hiring strategies: Large law firms hiring non-lawyer execs, including CEOs, CMOs, CFOs, CISOs (these functions outsourced by small firms)
- Gig economy has accelerated growth of distributed workforce
- Client-centric approach – add value, reduce costs, improve service experience

— Trends reshaping law firms

- More commitment to diversity, inclusion and equality
- Clients want it – they don't want a “beauty pageant” – they want law firms that “walk the talk”
- Gartner predicts 50% of legal transactional work will be automated by 2024
- Also, that legal tech budgets will increase 3X in the next 5 years





Trends reshaping law firms

- Legal tech and AI won't replace attorneys, but attorneys who leverage these tools will replace attorneys that don't
- The move to Microsoft 365, allowing co-authoring, Teams, etc. on the user-facing end, and integration with Microsoft data tools and services on the back end. Lawyers and firms will finally have 'Google Docs-like' co-authoring features available by default
- Digital collaboration tools – some in their own virtual environment

Artificial intelligence

- 2019 – common in e-discovery
- Tipping point reached in 2020
- In 2022 - contract review, legal research, brief analysis, predictive analytics, document review, billing and litigation support, due diligence, jury screening, and online dispute resolution



Get me to the cloud, NOW!

- 2020 rush to get to the cloud
- Highly motivated by attacks against on-premise Exchange Servers in 2020
- Exchange Online was not impacted



Get me to the cloud

- End-to-end encryption, backup servers, teams of expert IT professionals, and physical safety measures, such as securely locked rooms/cabinets with top-of-the-line camera systems and 24/7 monitoring
- Even the watchers are watched
- 99.999% uptime





Videoconferencing is here to stay!



We need to
budget for
new
technology

Use **Business-** Grade Tech



Technology Challenges

- Change management still hard
- Resistance of C-Suite
- Costs in money and time to install, configure and train



The rise of MEGA firms

- More resources and better technology
- Greater diversity of practice areas, industries and geography
- Stronger client base
- Hoovering up the most desirable clients?
- What does this mean for the small and mid-sized firms?





Law Practice is a team sport with a new playbook

- Bloomberg Law's 2021 Legal Operations Survey reported that 82% of lawyers believe multidisciplinary teams can consist SOLELY of attorneys
- Multidisciplinary teams should include attorneys, allied professionals and paraprofessionals
- Departmental silos are headed for obsolescence

Client-centric law firms

- Clients want law firms who are proactive problem solvers
- Results justify the law firm's continuing engagement
- They don't want legalese and they do want data-based solutions
- Look at how the clients themselves are structured – they have more “multidisciplinary teams” than law firms – by far
- How lawyers were trained isn't helping them
- Law firms need a cultural reboot





Teamwork Makes the Dream Work

- Law firms are reinventing the notion of teamwork
- Across all disciplines and geographies
- Working at the office or home
- Providing positive client experience from beginning to end



“Change is the law of life. And those who look only to the past or present are going to miss the future.”



QUESTIONS?