

Law2020™- What Will It Take for Law Firms to Thrive?

Article By:

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Law2020™ is the brainchild of Bryan Cave's Strategic Technology Partner [John Alber](#) and the [International Legal Technology Association \(ILTA\)](#). I have had the privilege of working with John and the ILTA organization over the past 4 years as a part of the conferencing planning committee. This year I am serving as a Conference Vice-President for the upcoming international conference being held in [Nashville, TN from August 21st – 25th, 2011](#).

The concept of Law2020™ is based upon an anticipation of the legal industry encountering the same market dynamics that have challenged the newspaper industry since 2000-2010. The online environment changed newspapers' production, employment and consumption. The ACC Value Challenge has placed law firms under a microscope like that the newspaper industry is under, thus requiring the legal industry to make strategic changes to meet the new needs of clients. Will law firms see a similar shift due to the economy and the changing client landscape? What can law firms learn from the newspaper industry and those papers that survived? The real question for forward-thinking law firms is not what will it take for law firms to survive in the year 2020, but what will it take to thrive?

We will look at this concept from 3 perspectives:

1. What technologies will successful law firms need in 2020?
2. What will be the characteristics of successful law firms in 2020?
3. What will be the skill set of successful lawyers and staff in 2020?

What technologies will law firms need in 2020?

Technology will continue to play a large role, as it does today, in the advancement of law firms in the year 2020. The key trends of technology will center on legal project management, alternative fee arrangements, transparency, and mobility.

The majority of law firms are starting to look at legal project management and alternative fee arrangement tools. Although these are new concepts for law firms, the thought process behind both is not new. Lawyers are already using use many tools to help manage their files. However, the idea

of pre-planning is new; taking a step back and visualizing the entire case or deal and mapping out the various steps and risks to reach an end result, as well as the cost of each step. Tasking, budgeting and knowledge management tools will continue to grow exponentially over the next 10 years as a result of client desire for more understanding and control. Intranets, budget tools, tasking applications, and other project management tools will be in high demand.

A lesson learned through the WikiLeaks scandal is that transparency of information is now expected, not just desired. The same can be said of law firm clients. Clients crave both an advocate and a partner. They want to understand everything that a lawyer is doing for them, they want the lawyer to fix problems, and they want the lawyer to help manage risk. Tools such as extranets provide the client with a full view of all case and deal materials; these are now being used by many law firms in the U.S. Over the next 10 years, clients will have access to risk management tools via these legal service platforms. Clients will be able to use online legal services provided by law firms to run their businesses and comply with new regulations and laws.

The number one trend law firms must deal with is mobility. The iPad, iPhone, Blackberry and other mobile device growth over the past few years is an indication of what individuals will be expecting in the coming years. All people, including clients, want to access their applications and information when, where, and how they want. As mentioned earlier, extranets and information sharing will increase over the next decade. In addition, video capabilities and cloud computing will be prominent technologies for all law firms. Law firms are expanding; however, there is a desire to cut expenses but keep the personal interaction. Video via conferencing, web cams, etc. can make this happen. Law firms are also looking to the Cloud as an opportunity to cut slim expenses and create complete mobile environments. Whether a firm chooses to place all critical application in the Cloud or only a few, Cloud use will continue to grow in the legal industry.

What will be the characteristics of law firms in 2020?

As technology changes over the next 10 years, so will the characteristics of law firms. Much of this will be a result of the changing landscape of clients. Additionally, management will shift to accommodate a new generation with different expectations. Other new resources include the virtual law firm, outsourcing, partnership track changes, increased risk sharing with clients and possible investments by non-lawyers.

Virtual law firms and lawyer mobility will increase. Brick and mortar buildings will not go away, but we will see an increase of lawyers choosing to work for a firm while at home or in a different location. In addition, legal process outsourcing will appear in law firms over the coming years. Many firms are venturing into this field with document review and other e-discovery tasks. Clients are pushing to keep expenses low and no longer want to pay large costs for firms to do document review tasks, when these can be outsourced for half the cost.

As noted in the alternative fee arrangements and transparency discussion, clients are looking for a partner to help bear some of the risk with their representation. Many clients will not pay the typical billable hour. They want to hire firms that are willing to share this risk and allow for different methods of payment. Some want flat fees with exceptions or bonuses based upon the efforts of the law firms. With these new methods of revenue for a law firm, the traditional path to partnership, currently based primarily on billable hour requirements, will change. How law firms react to this will determine whether they retain their lawyer resources.

One law firm characteristic available in other countries is the ability to have law firm investment by

non-lawyers. Allowing non-lawyers to invest in the firm creates more loyalty to the law firm and the work the non-lawyer is doing for the firm and clients. It is something US firms will consider as the economic shift continues to reshape law firms as we know it.

What will be the skill set of lawyers and staff in 2020?

We have now taken a look at what technologies will be used by law firms in 2020 and what a law firm will look like. The bigger question is what skills will be required by lawyers and staff in 2020? Efficiency of the law practice, a streamline business model, relationship building and marketing via social media and the capability to work via a new legal service platform will dominate the skills of lawyers in 10 years.

As discussed above, the economy and client expectations will drive many changes in the legal industry, including the skill sets needed to practice and support the practice. To be specific, lawyers will begin to hone their practices to increase efficiency. This will be mainly a result of the increase in LPM and AFAs. By breaking down different areas of law into steps and risks, lawyers will better understand each step and will find ways to deliver a better quality work product at a lower cost.

In addition, law firms will begin to consider streamlining certain tasks through administrative staffs to create better business processes. For example, layering secretaries with 5-6 attorneys and then creating an additional level of executive assistants to provide project management and client communication is something new that law firms will consider. This will allow new alternative paths for legal staff.

Lawyers also need to learn to market and build relationships via social media. This is the biggest change we have seen over the past few years, and the usage is drastically increasing. This new form of communication and collaboration needs to be harnessed for a lawyers to reach certain clients with younger and innovative leadership.

Conclusion

In conclusion, the legal profession will see changes over the next decade. How a firm adapts to the changes in the practice of law and client needs will determine whether that firm will survive. For additional information regarding Law2020™, please visit the [International Legal Technology Association Peer to Peer Magazine](#) on the concept.

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