



# Achieve more with less

How to integrate technology strategically  
as part of law firm management

WHITEPAPER



# The state of the legal sector

Despite the pressures of recovering from the Covid-19 Pandemic, the UK legal sector enjoyed a period of growth in 2021-22. Figures published by Thomson Reuters, demonstrate that demand for the services of global law firms increased by 8.7% compared to 12 months earlier.

Fees have also multiplied, up by an average of 12.2% growth in earned revenue. The research reveals a small increase in the number of lawyers too, up by 2.6%. As this is below the rate of increased demand, it appears to indicate that firms are effectively implementing strategies to drive productivity and achieve more with fewer professionals in their teams.

However, there's no getting away from the fact that the UK is now in recession. It isn't a stretch to suggest that demand may have peaked and is at imminent risk of decreasing, as customers begin to claw back on spending budgets.

According to the Office for National Statistics (ONS), the UK legal industry turned over £3.59bn in June 2022. Although this was up by 10% on the previous month's turnover, it was slightly below the £3.6bn recorded for June 2021, the third-best month on record for the sector. These figures are in no way indicative of alarm bells sounding quite yet, but nonetheless, without any further 'highs' recorded in 2022, the Law Society began to sound notes of caution for the sector in August.

It remains to be seen whether this recession will drive a slump in demand, and incomes, for the legal sector but now is not the time for complacency. Taking a more strategic approach to operations management will enable medium and large law firms to improve productivity, secure business, and drive profitability during increasingly uncertain times. Technology can give firms the tools they need to succeed, allowing them not only to maintain a competitive position, but to build on it for growth and future prosperity.

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# Holding steady as the recession deepens

A key challenge for law firms will be to ensure that revenue is maintained at a steady rate, resisting a fall in business and profits. Even without significant growth, firms need to avoid contraction so they can sustain employee numbers and emerge in the best possible position when the economy recovers.

The costs associated with running a business are increasing for all organisations, including law firms and chambers. Energy prices are rising, driving higher heating and electricity bills, and costs for day-to-day materials such as paper and stationery are increasing. Significantly, salaries represent a significant proportion of expenditure, and these are on the rise post-pandemic.

The demand for the best talent has seen offers for newly qualified lawyers reach as high as £100k in many firms, with top corporates offering up to £150k to secure the best people. Inflated salaries are having a considerable impact on firm outgoings, particularly as many are having to make unsustainable offers in a competitive talent marketplace.

Reduced client budgets will make tough spending decisions inevitable in the coming months.

Discretionary spend in particular may be put on hold, and belts will be tightened as business leaders assess where savings can be made. The expected spend on legal matters will vary, depending on how critical the client considers each service to be.

A downturn in the domestic and commercial property market, for instance, will deliver less conveyancing work, and mergers and acquisitions (M&A) activity may well slow down too. Unfortunately, some clients will go into administration leaving suppliers, including law firms, to shoulder bad debt.

During a recession, family breakdowns tend to accelerate, and crimes will still be committed, so activity usually remains unaffected in specialisms such as family and criminal law, despite economic downturns. Arguably, both may experience an increase in demand as the recession has an impact on stress levels and people's ability to cope with relatively reduced incomes.

It is also possible that some cash-rich organisations may decide that now is an opportune time to take advantage of lower valuations and increase their M&A activity by buying up businesses that are struggling to survive the recession. There is an increasing likelihood that more businesses will declare bankruptcy or fall short on contractual obligations, requiring them to access legal expertise too.

"By moving to a chambers management software, MLC, and choosing to power this using our cloud infrastructure, Gray's Inn have benefited from significant savings on time, resources, and costs, with the latter two being reduced by 25% per month."

**- Gray's Inn Tax Chambers**

# The challenge from the Big Four

One of the biggest challenges for medium and large law is the increasingly competitive legal marketplace. In addition to traditional firms, the largest four global accountancy firms, Deloitte, EY, KPMG and PwC, are moving in and increasing the competition for customers in the marketplace. In many regards they have a very compelling offer and must not be underestimated.

As established brands in accountancy and related business services, they can offer a one-stop-shop to clients. This is an attractive proposition for clients as they already have a relationship with their accountant and have many more points of contact within a multi-disciplinary supplier than they would with a specialised law firm.

The Big Four can easily integrate their legal team with other experts to offer a full-service consultancy that appeals to some clients and of course, each already has a massive client base to approach and pitch to.

The Big Four have high-profile brands. While many large and established law firms do too, these new competitors are highly attuned to maintaining visibility through marketing and continue to invest in their profiles.

During a recession, the temptation is to view marketing spend as discretionary, but experts would argue that actually, the opposite is true. When businesses reduce or cease investment in marketing activities they quickly lose visibility, while those who continue to market themselves, and their services, remain visible, present, and relevant to clients.

In addition to marketing, the Big Four are also investing heavily in technology to help them stay ahead of the competition. They are in a significantly better position than the top-50 law firms for exploiting opportunities, particularly for low-stakes procedural work. Law firms can harness the model followed by the Big Four and grow revenue by investing in technology that supports greater productivity and allows more strategic use of data for client attraction and retention.

“We estimated that we could increase revenue by 10% annually and have actually experienced a revenue increase of 20% within the first 6 months of using MLC.”

- **Ten Old Square Chambers**

# Organic growth through innovation

The continuing challenges of recovering from the global pandemic topped the list of legal buyers' strategic priorities and challenges this year, with 21% citing this as their top priority according to Thomson Reuters' survey of global firms. 19% of them position the problem of navigating a rapidly changing regulatory landscape as their top concern. These figures provide insight into areas where firms can drive growth. To ensure sustainability, firms can use organic growth models that use existing resources to expand business, ensuring that every new investment is fully supported by current income and resource availability. The goal is to achieve more with less.

Here are some ways to achieve organic growth:

## Capitalise on new customer relationships

The 'honeymoon period' is a time when customers might be more willing to consider other services from their legal supplier. In order to achieve this, it's essential to provide a superior customer experience that ensures a high level of customer satisfaction from the start.

Digital solutions enable this with improvements like detailed billing records that reduce client queries regarding hours and invoices. They also greatly limit the opportunity for human error in billing that costs time and money to resolve, and negatively impacts the client experience.

Digital management of documents and signatures can significantly speed up processes and help firms meet client expectations for quick turnaround and resolution. In a world where everyone is 'always on' with multiple devices, digital communication ensures clients are kept up to date with all progress. This reduces the incidence of time-consuming 'chase-up' calls and allows fee earners to get on with higher-value tasks.

## Increase business with existing customers

Law firms can identify growth potential by using data to explore cost-to-serve and profit contributions. Drilling down to a granular level into digital customer and business databases can extract powerful insights that often expose incorrect assumptions, such as the belief that the largest clients are the most profitable. Data will reveal where the greatest return on investment with individual clients lies, and the specific business areas that can be developed for further growth.

## Encourage commercial awareness as priority

Everyone in your firm should be thinking about sales, whether that relates to attracting new business, retaining existing clients, or increasing existing client revenues with other services. Technology is essential for ensuring the required high levels of customer service, utilising customer relationship management (CRM) and marketing tools with specifically designed legal software for file and practice management.

## Employee attraction and retention

In this competitive marketplace, securing the right people is crucial. Many firms are having to pay more to attract and retain key talent. They are combining this with an improved employee value proposition (EVP) that includes increased benefits and a company culture that positions the firm as an employer of choice. Lawyers and support professionals are also looking for firms that can offer the best opportunities for learning and development (L&D).

New recruits are looking for a clear path to promotion, the opportunity to work with the most interesting clients, and more flexible ways of working to improve their work/life balance. Implementing digital solutions means that they can be more productive, and help your firm achieve more in less time.

## Enable hybrid working

Digital technology enables the effective and secure hybrid and remote working that modern lawyers want. While it is crucial to ensure that solutions are aligned with demand, they must not compromise functionality. They should offer the highest levels of security, smooth communication and collaboration capability, and a better work experience for all those who are working away from the office.

## Automate to get more from less

Digital solutions make working life easier, with automated processes and workflows that save time and allow professionals to get on with using their core skills, expertise, and experience. This is critical at a time when firms need to achieve more with fewer employees.

## Implement a continual investment strategy

During this period of post-pandemic recovery, the business landscape is defined by constant change and disruption. Continual investment is needed in all areas, including IT structures, to manage on-going security concerns.

Staff need to be given opportunities for personal development, collaboration, and networking, to grow their own skills and build a long-term career with their employer. Client interactions are changing too, with a need for future-proof office spaces and virtual and online communications that are now a part of daily life.

## Develop a sustainable talent pipeline

Firms can use performance management solutions to build greater engagement with employees. Replacing annual reviews with an on-going, two-way communication process is much more effective. Performance management solutions help leaders to identify the employees who have worked hard and are suitable for promotion, instead of the more outgoing personalities who may be less productive than they appear.

“Using ALB’s (a practice and case management solution) time tracking and integration with programmes such as Outlook, we can bill clients more accurately and quickly, while staff can make more productive use of their time.”

- **Anne Smith, Managing Partner,  
Harrisons Solicitors**

# Evolving client service models

Driving higher levels of client satisfaction is key to maintaining relationships that can deliver continuing business and new client referrals. Over the last 12-months, client service models have evolved in line with this, and firms are using digital innovation to support a better client experience. The benefits in terms of client retention and business growth are clear.

New entrants to the legal market, including the Big Four and other accountancy firms, have been quick to implement digital solutions to enhance their productivity, support better employee engagement, and drive more efficient customer service. They are reaping the advantages of increased customer satisfaction and continuing business. It's a model that can be duplicated by all firms.

Hybrid working isn't just for legal professionals - many clients and individuals working for client firms are also working remotely at least some of the time. This has led to people having a more fluid approach to their working day. While organisational psychologists may warn against the risk of burnout caused by blurred lines between work and home life, there is no doubt that many people will work beyond contracted hours because it fits better into their daily schedule.

Flexible working puts pressure on law firms to provide an around-the-clock service, and that requires easily accessible digital communication channels. This new 'virtual' service includes online video meetings, access to online matter updates, and clients reviewing and signing documents digitally, rather than in-person. Implementing digital tools provides better client service and greater flexibility in your business models.

By integrating virtual and in-person interactions you'll make the delivery of your services timely, and seamless.

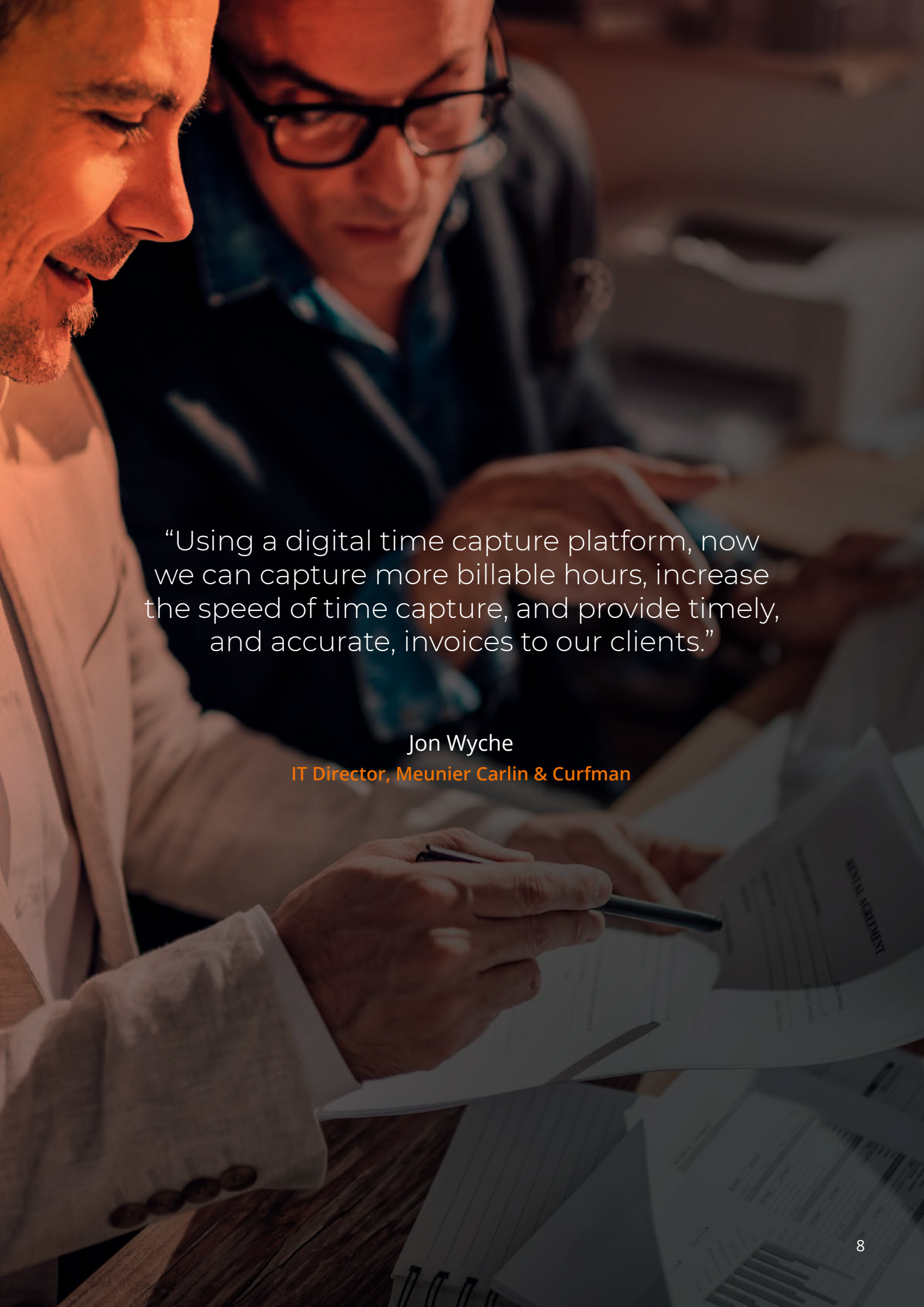
Fair pricing is also crucial to building and maintaining strong client relationships, perhaps now more than ever, as clients are scrutinising outgoings and watching every penny. Digital time recording software can ensure that every billable minute is recorded, maximising revenue. Fewer disputed invoices also mean less administration time is wasted in sorting issues out, leaving your teams with time to progress fee earning tasks or develop new client relationships.

Digital time recording tools demonstrate full transparency to clients, helping them to trust the billing and invoicing from a firm and reducing the frustration of both parties when figures have to be checked after bills have been delivered.

There is also a more collaborative approach between clients and lawyers now, as firms are investing in both the process and technology aspects of client interactions. Providing better delivery, and greater flexibility in business models, can help law firms manage their own pressures better.

This includes the ability to use automated responses for messages sent outside of normal working hours and providing online forms that clients can complete and sign themselves, without having to visit a law firm's offices. Overall, clients expect that all matters will be managed in the most efficient way and firms can use digital tools to ensure service meets, and exceeds, these expectations.



A photograph of two men in business attire. The man on the left is wearing a light-colored suit jacket and is looking down at a document. The man on the right is wearing a dark blue shirt and glasses, and is also looking down at the document. They appear to be in a meeting or office setting, with several papers and a pen visible on the table. The lighting is warm and focused on the men and their work.

“Using a digital time capture platform, now we can capture more billable hours, increase the speed of time capture, and provide timely, and accurate, invoices to our clients.”

Jon Wyche

IT Director, Meunier Carlin & Curfman

# ESG: doing the right thing

Even under the pressures of an economic squeeze, Environmental, Social and Governance (ESG) policies and initiatives remain high on the agenda for all UK businesses, including law firms. The UK government has set an objective to reduce greenhouse gas (GHG) emissions to net-zero by 2050 and the legal sector is required to play its part by taking ESG into consideration for all future growth strategy and planning.

According to KPMG's 2021 CEO Outlook, chief executives are embedding ESG into their business strategies, although more than half admit that, with stakeholder expectations of diversity, equity and inclusion rising so fast, they may struggle to meet expectations.

The largest UK corporates are already legally required to report on carbon emissions and more businesses are following suit voluntarily. These firms understand that demonstrating the implementation of ethical and environmentally aware practices will help them attract and retain clients who are more aware of how their spend can impact the planet. Many are consciously choosing to use more sustainable products and services.

ESG is important in securing quality employees too, as people are increasingly seeking employment that gives them a sense of purpose and the opportunity to make a positive difference to the world. At the same time, the trend for responsible investing is growing. Fidelity International states that advisers predict 30% of clients' assets will be invested with sustainable funds in the future. Therefore, issuing a ESG report as part of overall annual reporting activities is becoming standard practice for increasing numbers of businesses and law firms.

Demonstrating a reduced carbon footprint through comprehensive ESG reporting can have an impact on securing good, reliable suppliers too. Scope 3 emissions metrics concern the emissions from other businesses in a supply chain. To support their own ESG reporting, many suppliers will seek to build relationships with others who are already demonstrating ESG values and can evidence their progress.

The recession is driving many firms to seek cost-saving initiatives and ESG practices often go together with more efficient spending. One example is using digital solutions for paperless processes that remove the need for printing, copying and paper costs. Other efficiencies include digital files that don't require expensive physical space, are more secure, and enable more efficient file-sharing. Cloud-based solutions allow lawyers to access and share court bundles digitally.

In the past every update and amendment would require multiple versions to be printed, copied, and circulated to all relevant parties. This resulted in heavy, overstuffed briefcases and presented the risk of omissions and versions not being shared. Today, everything can now be accessed online in real time which works better for all concerned - and the environment wins too.

Remote working has had a significant impact on the planet as many people are avoiding their daily commutes and thereby reducing GHG emissions. Using Cloud-based digital solutions where providers manage the energy consumption of huge, secure servers is also less harmful to the environment than the carbon emissions of multiple on-premise systems.

Diversity and Inclusion is also an important part of ESG as law firms seek to implement strategies to attract and retain a more diverse workforce. Having more diverse points of view, understanding, and experience within teams enhance the quality of service to clients. Diversity is about more than just the way people look. It incorporates socio-economic background, education, and belief systems as much as age, gender, sexuality, and ethnicity.

More diverse businesses are generally credited with being more productive and innovative, with a greater incidence of truly disruptive and transformative thinking that comes when people are not all the same. The idea of Inclusivity creates a culture where everyone, employees and clients, feel valued and respected. As well as being the right thing to do, this has multiple business benefits and feeds into successful strategies for attracting and retaining clients and staff.

“While working on budgets, I calculated that if we laid all of the A4 paper we’d used over the course of one year in a straight line, I could make a path from Nottingham all the way to Bahrain. I knew that by converting to digital documents we would gain significant cost savings and decrease our carbon footprint.”

**- Tony Hill, Senior Clerk, Ropewalk Chambers**



# The rising dependence on automation

Law firms are becoming increasingly dependent on automated processes. They can greatly enhance and speed up lower-value tasks like contract renewals and client billing, or in-house marketing initiatives. Using automation is one of the key ways that firms can achieve more with less.

Clients have high expectations regarding response times, whether that be for initial enquiries and quotes, or time records and invoicing. Many people use multiple devices, all synched to work with personal emails and other communication channels. Having automated communications ensures they are kept up to date, no matter what time it is. It may not be possible to personally respond to a client email sent over the weekend, but an automated response will give them the assurance that their message has been received and will be dealt with promptly.

Using automated, digital forms also saves time for firms and their clients. The last thing many people want is to have to take time out of their working day to travel to the firm's offices to sign a document. Completing forms remotely, at a time that works best for them, is of significant benefit to clients.

The improved efficiency drives greater productivity and enhances the client experience by delivering a resolution to their problems much more quickly. By providing a better experience, firms ensure their services stand out in a crowded legal marketplace.

Automation also supports better compliance procedures. A recent Thomson Reuters survey pointed to the handling of complex and changing regulation as a critical concern. Automated processes have in-built compliance, incorporating

regulatory updates as they take place. They also remove the element of human error, providing built-in risk management. This provides enhanced peace of mind for leaders by ensuring they're protected from fines, or potentially career-ending prosecutions, preserving the hard-won reputation of the firm and its partners.

Large law firms also cited concerns related to efficiency. There is some uneasiness around their ability to digitise and automate work, to handle the volume of work they are allocated, and to improve their own processes and workflows. All these related issues seem to underscore the increased pressure on departments to deliver more work in more efficient ways, with fewer resources. The ability to leverage new legal technologies that improve productivity, or enhance a department's effectiveness, were cited as being of key importance in the report.

"Sharing a static form with clients was quite complex and time consuming. Using Cloud Forms mean we no longer have to wait for a client to return a completed form by post, and then rekey the data. We receive an instant notification that the form has been completed and is ready for a lawyer to review and progress. It's made the entire process much more efficient."

**- Sean Edwards, Business Analyst,  
Glaisyers LLP**

# Talent wars

If the struggle for talent was localised only 12 months ago, it's now truly global. This has been largely fueled by American firms who are willing to pay significant sums of money for relatively junior hires. The [Advanced Trends Report 2022](#) found that to attract new talent, 32% of UK firms are now offering salary increases. 38% of the legal professionals in our survey told us their firm has increased other package options, such as gym memberships, private health insurance and mobile phone provision. Over one-third (35%) are offering training as a specific attraction and retention strategy.

This increase in salaries, and other benefits, has had a ripple effect on recruitment demand across all areas of law, exacerbated by an unprecedented demand for legal services in the commercial arena. Although there has been a small rise in the number of lawyers qualifying in the last year, this in no way matches the increased demand.

In the past, this would be cause for serious concern, but today the technology exists to enable smaller teams of legal professionals to service more clients and cases efficiently, without compromising on quality and service.

However, the fact that supply and demand have been out of kilter has caused some professionals to become overworked, stressed and burnt out and many are leaving the profession. It is crucial that firms provide effective tools that help professionals work without additional stress, and makes completing their daily tasks within contracted hours feasible most of the time.

The law has traditionally been associated with a 'long-hours' culture, but this needs to change if firms are to attract and retain key talent when competitors can offer a more sustainable alternative.

Technology reduces the burdens that can lead to fee earner and support staff burnout. Automating common time-consuming tasks allows more time for higher-value work and leads to an improved home-work balance. Satisfied employees are more engaged and productive and contribute to an enhanced corporate reputation for being a great place to work.

Employers should not underestimate the power of word-of-mouth, where employees can be the most effective ambassadors for their firm's recruitment activities. Authentically contented people invite friends and personal connections to consider joining their firm because it is a great place to work, with excellent opportunities for career progression and a culture that puts people first.

It's clear that recruitment has become extremely competitive in the UK, with 87% of legal professionals in our Trends Report telling us their firm has found it difficult to attract new talent or replace leavers this year. 39% said they had not had sufficient numbers applying for vacancies, while one-third (33%) cannot find suitably qualified people for the roles.

Anyone on the market with a decent work record has plenty of options around levels of compensation, where they live, and what working style they prefer. Firms must ensure they are seen as an employer of choice, or risk losing their key talent to competitors.

A man with a beard and short dark hair, wearing a grey suit jacket over a blue checkered shirt, is smiling broadly and shaking hands with another man. The second man is seen from the side, wearing a light blue shirt and glasses. The background is softly blurred, suggesting an office or professional setting.

“Talent expects the option to work more flexibly and more autonomy over where, when, and how they work. Our 2022 Trends Report shows that 37% of law firms now offer flexible working as standard.

Digital solutions enable people to collaborate, communicate and maintain security wherever they are working and 87% of the legal professionals told us that technology is key to profitability in their firms.”

Alex Arundale

Chief People Officer, Advanced

## Security and compliance

Dealing with sensitive personal and corporate data makes law firms a prime target for cybercrime. The risk is increased by the hybrid/remote working model, where employees may be using unsecured networks or personal devices for work purposes.

Thankfully, now that hybrid working is beginning to mature as a concept, firms and employees are much more aware of some of the potential dangers and risks to information security. Many data breaches occur because of an internal human error, such as clicking on a phishing email or responding to ever-more sophisticated scams. The best way for firms to prevent this is by providing regular and on-going training for all staff.

The risk of a data breach goes beyond expensive legal action. The reputational damage can be substantial, or even ruinous. Fortunately, using digital solutions that ensure elevated levels of cybersecurity will significantly reduce the risks.

Protecting your firm gives clients, suppliers, stakeholders, and employees greater confidence that a firm is as secure as it can possibly be. It is therefore an important tool for winning new clients, securing better supplier arrangements, and for encouraging employee attraction and retention.

The latest cloud-based solutions offer:

- Robust built-in data security and governance-compliance adherence.
- On-going compliance with SRA, SAR, LAA and Law Society regulations.
- Pen testing, encrypted transmissions, multi-factor authentication.
- Advanced Hosting and Managed Services.
- Regular product updates to reflect latest changes to legislation.

“Legal documentation such as trial bundles contain highly confidential information. Keeping this data secure is a critical responsibility as data breaches can lead to lost cases, as well as serious reputational and potentially ruinous financial damage. Four out of ten firms told us the technology they are using to manage case and practice matters helps to ensure compliance and security.”

- **Doug Hargrove, Managing Director,  
Advanced Education and Legal**

## Smart solutions for proven growth strategies

Following a comparatively comfortable period of growth in the UK legal sector post-pandemic, it seems inevitable that managing law firms, and meeting client expectations, will again become challenging during the economic recession.

Every firm will have its own unique issues and areas to develop or restructure internally, but it will be essential to have the tools you need to compete, and thrive, through uncertain times. Automation is already being used to ease efficiency barriers, and now firms will be turning to technology to provide the competitive edge they need.

There has never been a better time to implement technologies that support strategic business planning and decisions based on accurate, real-time data. Legal professionals need to be given the tools that create the space and scope to provide an outstanding level of services delivery. This is the best way to secure more business from new and existing clients and achieve the best outcomes for them. It will also help you attract, and retain, the best talent to deliver those services. People that have the expertise, experience, and intuitive 'soft' skills required are much more likely to deliver an optimum client experience.

Digital technology provides immediate access to data that informs optimum operational decision-making, and helps to protect the reputation of the firm, by providing in-built security and up-to-date compliance. Loyal clients are those that know they can trust their legal experts to look after their data, to bill accurately, and to provide a timely, efficient service without time delays or location barriers.

Technology has the potential to completely transform the way your law firm operates, supporting you in attracting, engaging with, and retaining the best talent, securing new clients and ensuring an outstanding customer experience. It can make a real competitive difference to the positioning of your firm, both as an employer, and the legal services provider of choice for clients, protecting and growing your firm, despite the unpredictable economic road ahead.



## Discover more

Law firms can achieve more with less through technology. Advanced is trusted by more than 5,000 firms and with over 30 years' experience to provide effective legal technology to answer the challenges they face daily.

Work smarter, communicate more effectively, and deliver legal services with speed and security through our trusted legal solutions. Our end-to-end legal-centric software provides you with the accuracy and flexibility to identify opportunities for growth and greater efficiency while working in a secure environment wherever your team works from.

Learn more about our solutions and how we help make the legal sector achieve more with less by clicking the button below.

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