



GUIDE

How to become a digital-first law firm

Your step-by-step guide
and why it's important



Introduction

This guide outlines the digital landscape for law firms in 2023 and beyond. We consider how law firms can become digital-first, by utilising new technology solutions that optimise efficiency and streamline processes, for more effective and profitable practice management.

Three years on from the Covid-19 pandemic-driven lockdown when many firms had to pivot quickly to implement digital solutions, enabling remote working, the sector is moving quickly towards ever-more digital practices.

Hybrid working is becoming the norm at many firms and client companies. Many lawyers are experiencing a better work/life balance while remaining productive and in some cases finding themselves to be even more productive working remotely than from the office. Those with a dedicated home-workspace in particular may find there are fewer distractions during the workday, enabling greater focus. Being able to access work files securely from home gives them greater flexibility to work at the times of day that suit them best, fitting in with other family and personal commitments and the implementation of these digital solutions is proving important for attracting and retaining the best talent in a competitive skills marketplace.

Lawyers expect firms to provide powerful digital technology that can simplify and speed up repetitive processes and enhance compliance, making their working day less stressful. They can use their time to leverage their own individual expertise and legal experience for a more fulfilling work experience and this is a powerful incentive for both attracting new talent and for retaining existing fee-earners.





Clients are also living and working in the hybrid world and they now expect their lawyer to provide a digital, 24/7 access service. Cloud-based solutions and digital portals help satisfy this requirement, giving clients the flexibility and speed of response they expect now – the ‘Amazon effect’ means that people don’t want to wait for anything anymore.

For law firm leaders, truly effective decision-making, planning and strategy need to be based on the insightful real, accurate data that can be captured by digital solutions. This technology provides powerful tools that enable analysis, better predictions and easy reporting processes – where once information might have had to be entered into a spreadsheet and exported into other reporting software, now a single powerful platform can handle it all, and one update can produce a new report in minutes.

There is no doubt that 2023 is a year for increasing competition in the legal sector. This is coming from other specialist law firms and also newer entrants to the space, such as the Big Four accountancy firms, Deloitte, Ernst & Young, KPMG and PricewaterhouseCoopers who are now offering multi-disciplinary consultancy to clients. These global giants in particular have already invested heavily in technology and are making inroads into the legal marketplace with a one-stop-shop approach and no firm that wants to compete can afford to be left behind. The future is digital.

Historical overview – heading towards Law 4.0

Technology has been transforming the way the legal sector operates for decades. Many changes have already transformed the working landscape and although it has not always been an easy journey for a profession mired in tradition and historical process, there will be more disruptions and challenges to come.

Traditionally, law - let's call it Law 1.0, was a manual and paper-heavy profession. Such technology as there was involved landline telephones, typewriters and paper-based filing systems. Word processing and computers sped up some processes and the introduction of mobile phones had a transformative effect on communications.

The implementation of digital technologies with on-premise computer-based systems might represent iteration number 2.0. Emails significantly improved client and colleague communications, but many firms held onto cherished traditional processes such as lawyers hauling heavy briefcases to court. Within the firm heavy dependence on secretarial and paralegal support continued, as support staff were busy typing, printing and making multiple, repeated copies of documents to provide all parties with up-to-date versions of things like court bundles.

In 2020, the Covid-19 pandemic accelerated widespread change into the third iteration of digital legal, which is where many firms are now operating. New technology was the enabler for remote working, with Cloud-based solutions allowing firms to keep busy, and billing during this challenging period, thus ensuring that businesses stayed afloat. The divide between those firms in the digital vanguard and those still dragging their feet became clear as the legal landscape was transformed for professionals and their clients. From 2020 onwards, digital signatures, speedy dictation tools, Cloud-based time-recording software and many other game-changers are now commonplace within the modern law firm.

With the introduction of smarter automation, such as the use of Artificial Intelligence (AI) and AI-enabled large language tools including ChatGPT and Bard, we are seeing the emergence of Law 4.0. This is still nascent technology in largely uncharted territory, with experts and commentators positing widely different views on the risks and potential benefits it brings. There are concerns around AI taking people's jobs, making human tasks and roles redundant. This is versus the boundless potential for increasing productivity, giving professionals more time for rewarding activities that may always need the human touch, and giving rise to the requirement for new job roles and processes, some of which haven't been dreamed up yet.

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Digital for clients

Clients now have a clear appetite for digital law. Our [Legal Trends Report](#) revealed that 35% of consumers prefer an online meeting with their lawyer, giving them more flexibility to juggle the commitments of their own working day. In another example, [The National Wills Report 2023](#) found that over one-quarter of those surveyed either wrote their will online (16%) or used a DIY home kit (13%). Online appears to be the preferred choice for the younger generation, driving an increase in the number of firms who are offering this service. Search engines have increasingly been used to source legal information, from finding a local law firm and establishing credentials via customer ratings websites, to exploring detailed information about family, contract and criminal law.

1. Meeting client expectations

Just as online shopping and banking have transformed daily life, online FAQs and customer portals give people 24/7 access to the services and information they need. Law firms must be in step with this expectation and provide a round-the-clock service. This can include automating replies to emails, ensuring that clients know their message has been received and will be acted upon promptly. Many firms are now using chatbots effectively to handle many of the FAQs that would otherwise take a disproportionate amount of time to deal with, freeing up fee-earners and support staff to work on higher-value tasks.

2. Streamlining billing and invoicing

The implementation of digital tools can ensure more accurate time capture for more billable hours, thus higher productivity and profitability. Moreover, this transparency for clients results in fewer disputed invoices and less time spent recalculating and sorting them out. Fewer disputes also lead to happier clients and more repeat business and referrals, which is crucial in an increasingly competitive marketplace.

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3. Increasing access to justice

Many courts have already adopted digital tools to increase access with virtual and hybrid hearings, video conferencing, digital exhibits, greater transparency for all. Firms need to implement their own digital technology to enable them to work in synergy with the court system, as well as be able to lead in the new online legal space.

The growth in the use of DIY wills and other legal services requires technology that can help create more robust processes that offer greater consumer protection – a reputational and professional necessity. Social media is now driving crowd-funded litigations, ensuring that the cost of a trial doesn't deter victims and favour perpetrators, so again, being able to operate in the digital space is crucial for effective legal services.



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Digital for employees

Legal professionals are seeking a better work/life balance and many now work from home for at least part of every week. Research for Advanced's Trends Report 2022 among legal professionals found that nearly one-third (31%) said they were more productive working at home than in the office. The law has always been a demanding career choice and 85% said they were working outside of contracted hours. 44% of respondents told us they were doing so because they could choose times when they were more mentally active and 40% said it was because they got more quiet time to focus on their work.

At a time when legal professionals are seeking a more hybrid working pattern, it is concerning that almost two-thirds (64%) say they are seeing limitations in their organisation's current technology to support this. It is clear that digital-first firms are in a better position to attract and retain talent.

4. Delivering employee expectations

Professionals expect hybrid, remote and flexible working now, so implementing technology that enables this is crucial for securing the best talent. Solutions that automate repetitive tasks give professionals more time to focus on more rewarding and interesting work, enhancing the employee experience while also delivering higher-value productivity for the firm.

Legal employers who can promote an attractive Employee Value Proposition (EVP) will put themselves ahead in the war for talent and can use technology to highlight the firm's focus on the value of expertise and experience. Implementing digital performance management and learning platforms can have a transformative effect on employee development and advancement opportunities, helping to position the firm as an employer of choice.

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5. Maximising the cloud

Running all platforms and document access from the Cloud enables real time access to information from anywhere. This is essential for effective hybrid and remote working, including being able to access important documents from client meetings and courts giving lawyers much more flexibility and versatility. It also significantly reduces the need to repeatedly copy and share multiple documents such as court bundles, as everyone who needs to see a file can access up-to-the-moment versions ensuring no one is excluded in error.

6. Transforming roles and job function

Digitally-literate talent is already skilled at making the best use of technology and most lawyers are doing more of their own admin these days. The role of office support staff and paralegals has changed. They are no longer spending hours typing up letters and forms for lawyers and making endless copies.

Many firms are using fewer legal secretaries, with the Law Society predicting in 2019 that numbers would drop by two-thirds by 2027. It quoted a ratio of one secretary for two lawyers in 1998, to one for five lawyers in 2017, and an expected one for 20 lawyers by 2027. New roles are emerging instead as the demand for on-site IT support grows. There will be other roles in the future too, that may include legal AI and Virtual Reality/Augmented Reality (VR/AR) experts and a growth in areas relating to copyright and AI.

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Digital for effective case and firm management

Research among legal professionals for the Advanced Trends Report 2022 found that 87% felt that technology was important in supporting the profitability of their organisation. A whopping 45% said that technology supported profitability because it enabled faster task completion, 40% because it ensured compliance and security, and 38% because it provided more efficient client communications. As we move forward in this increasingly competitive landscape, firms will need to implement technologies that give them the competitive edge, optimising return on every investment and driving greater efficiency and profitability.

7. Getting in step with the sector

Even small law and solo practitioners will need to keep up with the rest of the profession in order to work effectively within it. A third-party digitisation grows, all firms must work to keep in line with new digital requirements, such as the Ministry of Justice's Digital Strategy 2025, revolving around three key themes – increased flexibility, being more data-driven, and more user-led. The National Will Register is a cloud-based will registration and search service with over 10 million wills already in the system. It exists to ensure no will is left unknown or untraced when it is needed.

8. Ensuring compliance

Digital solutions have integrated compliance that ensures workflows and processes are adhered to. This is important in all business sectors but vital within the legal environment where errors and oversights can be disastrous for professionals, partners and an entire firm both financially and reputationally, as well as potentially incurring prison sentences. Digital solutions provide partners and firm managers with the assurance that they are operating within the very latest versions of the law and other mandatory requirements. At a time when many firms are being bombarded by change, such as changes in employment law and others due to Brexit, this assurance is invaluable.

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9. Raising security

Recent years have revealed disturbing increases in cyberattacks on businesses and legal firms are of particular interest to criminals. Remote and hybrid working has increased the risk of ransomware entering a system via a poorly configured connection or device. As holders of large quantities of sensitive and personal data for clients and employees, firms have a responsibility to implement the highest available levels of security to safeguard this data. Unlike on-premise systems, The cloud incorporates high levels of in-built security with encrypted data held across multiple servers, making it far more robust and resistant to cyberattack.

10. Implementing smarter strategies

Good governance, effecting planning, strategy and budgeting all require accurate and up to date information. Digital solutions can help improve these processes in numerous ways, for example by easily and accurately identifying high and lower performing areas of business, tracking the performance of fee-earners and much more. Actionable insights based on high quality data ensure that every decision makes the greatest possible impact on efficiency, productivity and profitability while ensuring high quality client service and employee satisfaction.



Get ahead of the curve

A digital-first approach will elevate all areas of business and functions within it. It can raise productivity, reduce operational costs, increase profits and market share. It also plays an important role in a successful talent attraction and retention strategy, helping to attract new business and retain existing clients for repeat work. It ensures legal compliance and elevates data security. But new considerations for law firms are emerging in this new era. It will be important for leaders to invest time in getting to grips with these in order to action all of the benefits that digital technology can bring.

AI

This is still new and quickly-evolving technology and many experts are struggling to work out whether it will be good or bad for business. It will undoubtedly require firms to draft new policies, with greater awareness and understanding of the risks as well as its phenomenal potential for good. One example is the way that AI-driven large language tools are powering chatbot interactions with clients, informing ever-more appropriate and bespoke answers to their questions. ChatGPT and other similar tools may be useful for drafting new operational policies and quickly generating related copy to accompany elements like graphs and tables in reports.

AI is already enhancing hiring processes across many industries and sectors. It uses 'smart' application forms that adapt to responses and generate new questions for each individual candidate, essentially powering the ultimate virtual job interview. In future AR and VR are going to be just as disruptive. For example, they have the potential to radically transform the way lawyers interact with clients and the courts. And probably the most important take-home message about AI is that it has only just got started – it will require a fertile imagination to predict all of the ways it will change every aspect of our lives in future.

ESG

Environmental, Social and Governance metrics are already important for clients, employees and investors. ESG reporting is already mandatory for businesses with 500 or more employees and is likely to be a requirement for firms of all sizes in near future. Implementing good ESG practice is also ethically the right thing to do. Having a well-thought out and implemented ESG policy is increasingly seen as being part of an overall business culture that respects the planet and its people.

Firms that demonstrate this will position themselves in a positive light but also, ESG strategy can help reduce expenditure, an increasing concern for business leaders. Paperless processes mean less waste with reduced printing and copying costs. When employees are working remotely and commuting fewer miles each week, there is less pollution, as does working within supply chains that focus on local partners. Digital tools enable a reduced carbon footprint as online video calls reduce the need to travel for client meetings and fewer employees in the office, hot-desking at any one time may drive a requirement for smaller premises and lower energy emissions and costs.

D&I

A homogenous workforce with similar backgrounds is more likely to engender an 'echo chamber' of thought, with no new ideas. A more diverse workforce includes people with many different experiences, ethnicity, gender, and social/ economic backgrounds that can drive new ideas, enriching creativity and innovation. D&I will be an important theme for law firms in future, as Pay Gap reporting extends beyond gender to ethnicity and other protected characteristics such as disability. Data published by the Solicitors Regulation Authority in 2022 shows that while the law mostly reflects the rest of the population for percentages of women and black, Asian and ethnic minority lawyers, it is vastly underrepresented in characteristics such as disability (5% against 14% of UK workforce) and socio-economic background. 23% of lawyers attended a fee-paying school compares with 7.5% of the population, and 58% hail from a professional socio-economic background compared to 37% nationally.

Digital technology helps firms to build an accurate view of their people, with anonymised inputs that encourage participation in surveys so that policies and new ways of working can be shaped to suit everyone, for example addressing challenges around accessibility. Seeing people like themselves represented in a firm may attract new clients, and will also attract talent from more diverse characteristic groups who can see the potential for a long-term career in an authentically inclusive working environment.

A digital-first future

Many firms are already well underway with their digital transformation, or are in the process of implementing new technologies that will help deliver the advantages that will give them the competitive edge. There is of course pressure to make the right decisions about the software and services required.

This guide is designed to help firms identify some of the challenges that can be met with solutions, specifically designed for the legal sector.

These are some things to bear in mind:

Prioritise employees	Seek solutions that enable effective, secure, remote and hybrid working with automation that improves the experience of work for everyone as a powerful attraction and retention strategy.
Client service	New technologies deliver 24/7 client communications and automated replies that help build stronger client relationships, for new and existing clients and greater market share.
Data at the centre	Data informs the most effective and powerful decision-making, ensuring the greatest ROI.
Stay secure	In a fast-moving landscape of cybercrime, Cloud-based solutions offer the highest levels of encryption to protect sensitive data, ensure compliance and provide confidence for clients, employees and business leaders.
Consider partnering with a software and services provider that knows the legal sector	A provider that understands the pain points and has a trusted track-record in the legal sector is best able to ensure that the solution meets your own firm's challenges
Enable growth	Whether growth plans are organic or via M&A, any new digital technology needs to be scalable so it can grow with you. Many solutions also integrate with existing technology, allowing for a more gradual migration to the latest software.

About Advanced

Advanced has over 30 years experience in providing software and services to the legal sector. Trusted by more than 5,000 law firms and barristers' chambers, its Cloud-based solutions offer enhanced security, 24/7 systems access and fast communication channels to help firms increase productivity, secure the best talent and drive higher customer satisfaction.





We would love to hear from you

Hopefully this was a helpful guide for a digital first law firm.
If you'd like to find out more about the ways our solutions
can help your business (both now and in the future),
be sure to get in touch today.

Get in touch



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