

Is Digital Disruption a Threat or an Opportunity for Law Firms?

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Disruption can come from anywhere; for instance, in the legal sector, disruption is brought by companies like LawDingo that offers a platform for consumers to find professional legal services and bid for the legal work they need to get done. Similarly, Clearspire and Axiom are proving that a lot of clients today are moving from traditional to new ways in order to gain value. Legal professionals can now deliver excellent services using technology and new working models that used to be considered only in the IT sector.

Gone are the days when a law firm's competitors were other law firms. Today, a new competition has emerged between attorneys and technology. With artificial intelligence (AI) and machine learning (ML) developing rapidly, rising gig economy, and the client-centric era, attorneys need to adapt to the changing world around them to become competitive and relevant. Legal, despite being a highly regulated industry, is not experiencing disruption for the first time. However, the new disruption is the emerging need for new business models that bill on value instead of time. Attorneys and law firms can take this opportunity through technology.[...]

Law firm operations are expected to be influenced by the latest technology development and new demands from today's clients. Software tools and applications are helping law firms manage processes faster, effectively, and securely. These are also replacing labour-intensive functions with virtual processes. Moreover, clients expect the best digital experiences. This includes virtual communication, mobile-first solutions, more control over their legal cases, speedy and effective resolution, etc. Given that, law firms need to be updated about the fast-changing technology landscape in order to satisfy their clients.

The utilization of AI and ML will have an impact on various legal areas. By 2036, 100,000 jobs are likely to be automated. Therefore, now is the time for law firms to bring change, embrace AI, and employ legal tech experts to improve internal processes and future-proof themselves.

Digital disruption has changed the way attorneys work. Today's young legal professionals demand workplace flexibility and prefer performance evaluation based on results rather than office attendance. Law firms that recently entered the sector have already adopted an open-minded work culture that promotes staff productivity, loyalty, and growth. The gig economy can also significantly influence the legal sector; professionals can choose their preferred location and time to work. Platform lawyers typically use digital tools to work remotely and can market their practice the way they want. Due to low operational costs and service charges being less than traditional firms, they can increase profits quickly. Law firms refusing to adopt new work cultures will experience challenges in finding and retaining talent, boosting productivity, and encouraging their staff.

Some positive aspects of the digital disruption and having platform attorneys are unnoticed by law firms that are too busy managing their workload. Automating tedious, repetitive tasks and allowing staff to work remotely give several opportunities to law firms. Although attorneys might be concerned about the reduced billable hours due to the automation of most paper-based legal processes, they will get more time to handle more important work they might be more interested in doing. Digital disruption is here not to threaten the legal landscape but to challenge it. Clients now demand a whole new level of experience, specially tailored as per their unique requirements. Law firms need to take client-centric approaches to raise their game and become more competitive. This will help them retain their client base and prevent losing their clients to platform attorneys. Firms that are reluctant to adjust to the legal business's new reality are at the highest risk.

Digital technology and countless web tools bring many opportunities for law firms to connect with the market. This can integrate the numerous channels across the web such as their website, email, and social media handles to drive enough traffic. The only catch is that they need to learn where and how to play. More likes, shares, retweets, and reposts help gain the market's trust and build a brand's reputation.[...]