

June 4, 2020

Q&A with Ken Crutchfield on the 2020 Wolters Kluwer Future Ready Lawyer: Performance Drivers survey

By Brad Rosen, J.D.

Q 1: Can you provide an overview of what you see as some of the key trends revealed by the report?

A 1: The survey confirmed many trends that I have sensed have been in play for some time now. In fact, the survey revealed that legal professionals see technology as a key force for change in the profession, and critical to improved relationships, performance and productivity. Notably, 76% of respondents from across Europe and the U.S. saw the increasing importance of legal technology as the top trend. Some of the other key trends noted included:

- Meeting changing client/leadership expectations – 74%;
- Emphasis on improved efficiency/productivity – 73%;
- Ability to acquire and retain talent – 73%; and,
- Coping with increased volume and complexity of information – 72%.

I also thought it interesting that the report found a significant gap between the trends and firms' readiness to address them. For instance, while 76% of respondents noted the increasing importance of legal technology, making it the top trend, only 28% of the respondents said they were "very prepared" for it. Moreover, fewer than one-third of respondents reported they were "very prepared" to address any of the trends identified. Along these lines, respondents noted the difficulty of change management and leadership resistance to change as the biggest barriers to change for both law firms (53%) and corporate legal departments (65%).

I think the disconnect between the trends being seen and firms' general lack of readiness to take them on can lead to some interesting opportunities for those players looking to step up and distinguish themselves across the legal landscape.

Q 2: How do you think the COVID-19 crisis impacts the findings of the report?

A 2: In my view, the disruption caused by the global pandemic of 2020 will only amplify and accelerate the report's findings. In short, the COVID-19 crisis will have far-reaching, long-term and structural impact across the legal industry. The crisis has pressured legal professionals to fast-track their use of technology solutions as work-from-home solutions have increasingly become the norm rather than the exception.

For instance, Mark W. Brennan, the Lead Innovation Partner at Hogan Lovells, noted that in light of the pandemic, the firm was quickly able to transition its work-from-home globally to make sure its clients received seamless service as it set up resources and communication systems for its people and clients.

Kathryn DeBord, Chief Innovation Officer of Bryan Cave Leighton Paisner, took the point somewhat further. She spoke of the pandemic noting the acceleration to changes in how clients and law firms think about legal service delivery and the legal services supply chain. Aside from providing top legal advice, she sees the increased need for multidisciplinary experts in legal services delivery to help make their commerce flow more freely.

I also believe that given the new financial pressures on businesses created by the crisis, there will be a brighter spotlight on legal professionals' performance moving ahead. The pandemic will set a foundation for "must have" technologies to keep a legal business operational and help it survive.

Q 3: What did the report have to say about client-law firm relationships?

A 3: I thought it striking that across the board the survey surfaced significant gaps between corporate legal departments' expectations and law firms' ability to deliver on them. For example, 79% of in-house corporate lawyers said it is important that the law firms they work with demonstrate efficiency and productivity, while only 28% said it describes their current firm very well. The survey findings make it clear that the use of technology is critical to how well firms meet client expectations.

It is increasingly apparent that corporate legal departments, faced with the need to improve productivity and efficiency, have turned to technology more aggressively. Moreover, they are pressuring their law firms to do the same. According to the report, 81% of corporate legal departments indicated that within the next three years they will require prospective law firms to describe how they are using technology to be more productive and efficient, nearly double the 41% of legal departments asking this question today. Likewise, 82% of the corporate lawyers said it was important that the law firms they work with leverage technology.

I also find it intriguing that while technology competency of a law firm remains top of list for corporate law departments, law firms believe corporate legal departments rate price as the most important relationship criteria. This clearly demonstrates a misalignment in expectations and priorities between law firms and the corporate legal departments they serve.

In my view, the importance of client satisfaction—already one of the most critical aspects of law firm success—will further intensify as firms strive to differentiate themselves from traditional and new competitors and add higher value. At the same time clients may look to spend less and do more in-house. Consequently, the ability to use technology to optimize performance will be more important than ever.

Q 4: What insights did the survey have about the challenges facing corporate legal departments?

A 4: Survey respondents indicated there their top challenges are to:

- Reduce/control outside legal costs;
- Improve legal operations and legal project management; and,
- Provide strategic value to their company.

The top changes corporate legal departments expect in the next three years include:

- Greater use of technology to improve productivity (82%);
- Greater collaboration and transparency between firms and clients (80%); and,
- Increased emphasis on innovation (76%).

The survey also noted that with a focus on technology, the gap in knowledge and preparedness is most acute when it comes to transformational technologies. Big data and predictive analytics were the transformational technologies that 67% of legal departments expect will have impact over the next three years. However, only 25% of the respondents indicated they had a solid understanding of these technologies.

Q 5: Where do law firms find themselves when it comes to technology innovation according to the report?

A 5: According to the report, transformation is underway across the law firm landscape as firms increasingly face competition from alternative legal service providers and even clients themselves. To ensure they meet client expectations, 67% of law firms said that they are investing in new technology to support firm operations and client work; 39% are formalizing their customer feedback approach; and 36% are undertaking process optimization projects.

When it comes to client focus, many firms reported they struggle in their ability to keep up with changes, with only 26% of firms indicating they are “very prepared” to use technology to improve client services. Given the increasing importance of legal technology, it’s no surprise that law firms plan to invest more as 60% plan to increase their technology budget over the next three years. Artificial intelligence appears to be the transformational technology that 59% of law firms expect will have a significant impact over the next three years.

Q 6: Is there a compelling reason to become a “Future Ready Lawyer”? In other words, is it worth the time and effort and is there really a competitive advantage to being one?

A 6: The answer to that question is a clear and unqualified “yes”. The previous *Future Ready Lawyer* survey conducted in 2019, found that technology leaders—those firms and legal departments that fully leveraged technology—outperformed across the board those organizations that were not fully leveraging technology. In the current survey, those findings were confirmed. Among firms, 62% of

technology leaders reported that their profitability increased over the prior year, compared to 39% of transitioning firms. Additionally, across all areas related to technology, staffing, organizational and client focus, technology leaders also outperformed organizations with lower technology use. Lastly, the COVID-19 crisis has pressured legal professionals to fast-track their use of technology solutions.

For all of these reasons, the technology leader edge continues for the Future Ready Lawyer.



The 2020
Future Ready Lawyer
Performance Drivers Survey Report

Industry leaders discuss COVID-19
and its impact on the future of
the legal sector.

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