

Strategic Perspectives

Industry leaders weigh in on Wolters Kluwer Future Ready Lawyer Survey as legal profession experiences transformational change

By [Brad Rosen, J.D.](#)

The evolving client-firm relationship, technology's role in the practice of law, and shifting workplace trends within the industry were featured in a webinar marking the release of Wolters Kluwer's [Future Ready Lawyer Survey 2022: Leading Change](#) on September 14, 2022. Now, in its fourth year, the survey, which provides insights from 751 legal professionals across the U.S. and ten European countries, reveals that new and improved technological capabilities are driving greater resilience, improved client relations and higher performance for many organizations as competitive pressures intensify as never before.

Legal Markets group Vice President [Ken Crutchfield](#) moderated the webinar, [Changing Client & Law Firm Expectations](#), and was joined by an all-star panel from various corners of the legal ecosystem, including [Mark Brennan](#), Tech and Telecoms Sector Group Leader at Hogan Lovells; [Jennifer Dixon](#), Research and Learning Librarian at Cleary Gottlieb and Adjunct Professor at Fordham University's School of Law; [Dennis Garcia](#), Assistant General Counsel at Microsoft; [Marc Lemberg](#), General Counsel at Strategic Financial Solutions; [Nikki Shaver](#), CEO and Co-founder at Legaltech Hub and Adjunct

Professor at Cardozo School of Law; and [Richard Tromans](#), Founder at Artificial Lawyer, Founding Consultant at Tromans Consulting and Founder and Chair at the Changing Legal Think Tank.

Top trends impacting the legal profession.

In his opening remarks, Crutchfield pointed to some of the leading factors that are leading to heightened demands and expectations for legal professionals. These include geopolitical, economic, regulatory, competitive, technology, and talent relate stressors, which together go to characterize what is frequently described as a "VUCA" environment (that acronym stands for volatility, uncertainty, complexity, and ambiguity). Crutchfield went on to identify some of the top trends and [key findings](#) revealed in the report which include:

- The increasing importance of legal technology is a top trend for 79 percent of lawyers;
- 97 percent of corporate legal departments will ask law firms to describe the technology they use to be more productive and efficient;
- 91 percent of law departments are expecting their outside firms to fully leverage technology, but just 35 percent of law firms are very prepared to use technology to do so;

- corporate legal departments are happier with their law firms compared to pre-pandemic times, yet 78 percent of them are ready to switch firms; and
- the great resignation has impacted 86 percent of legal departments, with 70 percent of lawyers saying they may leave their current position in the next year.

Evolving relations between corporate legal departments and their law firms.

Crutchfield also noted that in light of a new normal emerging in the post pandemic era, the Future Ready Lawyer survey found the pressure on the relationship between law departments and their law firms continues to increase. According to the survey, 32 percent of law department attorneys indicate they are very likely to switch firms. Crutchfield asked the panelists their views regarding changes in the relationship between in-house departments and their outside firms.

Microsoft aims for deep relationships with its law firm partners. Microsoft's Dennis Garcia stated that the company's in-house law firm relationships are more important than ever before. "From a Microsoft perspective, if our law firms are successful and are positioned for success then the Microsoft legal department will be successful

as well in providing counseling to our clients,” Garcia said. He added that Microsoft is fortunate to work with a mosaic of terrific law firm partners of all types and sizes, some of whom are minority and woman owned.

While those outside firms need to constantly earn the company’s trust and continually provide outstanding legal services, the company works hard to have a deep bidirectional relationship with its law firms. Microsoft looks for opportunities to onboard newer lawyers, and educate them about Microsoft’s business, and shares information and tools with them to position them for great success, according to Garcia.

The collapse of distance as labor arbitrage marches on. Strategic Financial Solutions’ General Counsel Marc Lemberg pointed to the webinar itself, its underlying technology, and the reality of remote work as emblematic of the shift in legal practice. Lemberg also observed that the technology has allowed for the collapse of distance and has opened up the possibility for new law firm relationships. Lemberg noted that he has moved work to smaller regional firms that provide a lot of regulatory and basic work at a fraction of the price of big city law firm counterparts. “We’re in an inflationary labor environment, and 80 percent of costs walk,” Lemberg stated.

In Lemberg’s view, the challenge large law firms have is “labor arbitrage,” except for highly specialized work or where there are unique relationships. He noted, “The differentiation of brand is hard. We have gaggles of really really smart people who will stay up late to get the job done. The question is how are you going to provide value?”

On a related note, Lemberg observed that across many industries, taking out the cost of labor has been the number one aim of innovation. However, the law industry has

been very late to that party, while nearly every other industry has done it. As a consumer and a customer for legal services, this is where Lemberg is focusing.

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A century old model for legal markets persists. Artificial Lawyer founder Richard Tromans wholeheartedly agreed with and amplified Lemberg’s assessment that most industries have sought to take the labor processes out of the means of production to create value and advance value for the end user. However, in Tromans’ estimation, that is fundamentally what is not happening in the legal industry. “Basically, we are getting a tiny amount of automation around the non-billable, low billable, and fixed fee work. We are getting some work shunted out to ALSP (alternative legal service providers), who are amazingly on the billable hour themselves, but are just slightly cheaper,” Tromans explained. He added, “Fundamentally, the overall model of legal markets, with the ingestion of some technology, is pretty much where it was 100 years ago... we haven’t fundamentally changed.” In Tromans’ view, it is amazing that you have companies that in some cases spend \$100 million on legal and have immense buying power, yet are dictated to by service providers on how those services are sold. “It’s absolutely bananas.” Tromans concluded.

Responsiveness and the delivery of quality services are top of mind for outside counsel. Hogan Lovell Partner Mark Brennan brought the law firm perspective to the table, though he concurred with his corporate counsel colleagues. Brennan noted the importance for those firms providing high priced legal services to hit it on all fronts when it comes to providing service and high-quality deliverables. Brennan indicated that at Hogan Lovells, lawyers are told the importance of being responsive, proactive and to be really focused on the client’s problems and challenges they’re trying to solve.

Brennan further observed that if you are an expensive vendor, you can’t be expensive and slow, nor expensive and low quality, noting there is no market for any of that. Brennan underscored the importance that firms’ responsiveness and commitment to quality must come through. Additionally, while acknowledging the survey’s finding that organizations are more likely to be leaving their existing law firms, Brennan sees a strategic opportunity to gain those parties as new clients as they explore the market for new legal providers.

Technology and talent retention in the time of the great resignation. According to the report, more than 80 percent of the lawyers surveyed say it is highly important to work for a tech-savvy law firm or legal department. This finding is particularly significant in light of the talent shortage that has impacted the legal industry, and which has been exacerbated by the great resignation. Against this backdrop, Crutchfield asked the panel members what they were seeing with respect to talent retention, as well as pressures this might be placing on their organizations.

Cleary Gottlieb Librarian Jennifer Dixon was particularly struck by the report’s findings that attorneys want to work at place that is using and leading the way when it comes to technology. She observed that attorneys

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like to work efficiently, and are excited to see the automation of some of the more boring tasks so they can focus on why they went to law school and what is enjoyable about practicing law.

With respect to remote work, attorneys just don’t have a passion for Zoom and not wearing real shoes, according to Dixon, but also place a high value on the flexibility that affords people to do their jobs well and allows them to be living desirable lives. According to Dixon, an organization should also give considered thought to how it trains its workforce and make it known what the technological resources are available.

Considering the “Happiness Quotient” when pursuing technological solutions.

According to Legaltech Hub Founder Nikki Shaver, it is really important to considering the emotional when looking at the role of technology, which we rarely do when discussing the law. When looking at talent and why it might be leaving, Shaver believes the role of technology can play a significant role. However, it is also necessary to look beyond the usual requirements around technological solutions which have traditionally included whether the technology fits with the environment, and whether it addresses the use case and solves the problem at hand.

Shaver pointed to an additional factor she calls the “happiness quotient” which seeks to address the issue of whether the technology actually makes the lives of the lawyers using it better. Shaver observed that younger people, who have grown up using technology, are well aware that using technology can make all kinds of things easier to do. Accordingly, if young lawyers are thrown in the deep end and required to do the kind of manual work that keeps them up until 3:00 am, which lawyers have traditionally done, they well understand that kind of work could have been automated and done in a better way.

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The webinar was hosted in conjunction with the *Today’s General Counsel*. You can access *The Corporate Legal Departments Beyond the Pandemic* webinar recording by clicking [here](#), as well as the *Future Ready Lawyer Survey 2022: Leading Change Survey* by clicking [here](#).