


The Future of the Law Firm- What Will it Look like in the Next 20 Years?

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April 5, 2013

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The Law Firm of the Future

Since 2008, it's been a crazy ride. We are 5 years into what many people are calling the New Normal. Let's take a look ahead – 5, 10, 25 years into the future to see how lawyers and paralegals are coping.

What issues are keeping lawyers up at night?

- Are all these new lawyers going to take my clients?
- Can I maintain a pipeline of clients who can pay my fee?
- How do I manage my law firm and all that goes with that – staff, practice management, marketing, client relations
- Technology – what do I need? How do I use it? How will I afford? How can I keep up with the changes?
- Will I make a mistake that will result in harm to my client, result in malpractice or committing an ethics breach
- Work / life balance
- Stress of my work and the impact it has on my health
- Financial worries
- What does the future of law practice look like?
- Preparing for retirement – both financially and how to handle closing my law practice

What issues are keeping paralegals up at night?

- Our clients are struggling financially, how does this impact our office?
- The firm is cutting back on expenses, are we in trouble?
- Other firms are laying off staff, will this happen to me?
- I've experienced changes at the office – decrease in work, moved to a new office, moved to a new team – should I be worried?
- I'm unhappy at work, but worried I can't find a new job
- I'm lousy at technology, is that going to impact me?
- My law firm is stuck in the 1980's – will we survive?

The Client of the Future

In the coming decade, lawyers must be prepared to respond to clients' needs or face the prospect of losing them to other lawyers who will. Law 21's Jordan Furlong said in a blog post, "Ready or Not, Here Come the Clients":

So it really matters now what clients want: personalized help and guidance to arrange their legal affairs and to anticipate and minimize their legal troubles, from a trustworthy advisor who communicates frequently and is truly concerned with their best interests, delivered as quickly as possible at an affordable, predictable price.

The Do-it-yourself (DIY) Consumer

The move towards self-help is driven by generational preferences and technological advancements:

- Generation Y handles more of their investment matters than previous generations and use their iPhone to check their investment balances and stock market,
- In Canada, a majority of consumers prefer the ease of use and convenience of self-service kiosks, a recent study showed,
- Pharmacies are experimenting with self-serve kiosks to deliver prescriptions,
- Consumers are seeking information on health care options on line, with 60 percent acknowledging that online information changed their treatment decisions.

What Does Your Corporate Counsel Client Want and Expect?

- The most important thing you can do is to balance my legal needs and my business needs
- Share our passion for our business – know who we are and what we stand for
- I do not want surprises. I lose trust with unexpected bills or failures in communication.
- Fees must be reasonable and I appreciate innovative approaches. Alternative fees work with trust and commitment on both sides.
- The traditional firm is dying and the legal industry is changing. Get over it and adapt to the new world.
- Your cost structure is too high and is based on inefficiencies.
- Firms must collect data and know how much each matter is going to cost. Build in a reasonable profit and we get to a reasonable fee.
- Firms are going to have to harness technology to become more efficient, effective and competitive.
- Clarify what we mean when we say “win” – make sure we are on the same page.
- Offer to do a free CLE for my in-house lawyers
- Show me that you can solve a problem for me that you are qualified to solve
- The highest value of work that you perform for me is counseling. Advocacy is important, but keep in mind we do not want to be involved in litigation.

(Taken from Corporate Counsel Panelists: Ron K. Barger, Archon Group, L.P., Jeffrey W. Carr, FMC Technologies, Inc. and Janet L. Dhillon, J.C. Penney Company, Inc. at the LMA 2012 Annual Conference).

The Evolution of the Legal Services Market, Jordan Furlong, consultant and author of Law21 Blog

Stage 1 – Closed Market – most of the 20th century up until no later than 2008

- Law has one authorized provider – lawyers
- Jobs increase out of proportion to demand for services
- No outside competition
- No pressure to innovate
- Little incentive to use technology
- Services are expensive

Stage 2 – Breached Market – 2008 – 2016

- Economic upheavals disrupt market
- Technology disrupts lawyers from traditional roles
- Limited regulatory options against emerging competition (such as Legal Zoom)
- Firms cut positions to preserve profits
- Declining demand for lawyers leads to overcapacity in firms
- Law schools experience pressure

Stage 3 – Fully Open Market – 2016 – 2024

- Small, high-value portion of legal work is reserved exclusively for lawyers
- Many consumer legal services shift from lawyers to non-lawyer providers, much corporate work shifts from law firms to non-firm providers
- Most mid-size and large law firms downsize dramatically and some close
- Non-lawyers evolve to fill in gaps in market
- Client access to legal services has never been greater

Stage 4 – Expanding Market – 2019 - ?

- Combination of multiple providers and affordable prices open huge, previously latent market
- Innovation in services increases range and depth of accessible legal work
- Market expansion accelerates rapidly – legal job growth returns, systems and IT advances achieve unprecedented levels of accuracy and efficiency in basic documents and processes
- Routine legal work is subject to fierce competition
- Elite firms – both solo and global - thrive by handling high-quality, highly paid, mission critical work – lawyers are strategists, counselors and trusted advisors

Practice Management Issues That Will Impact the Future

- Technology – hardware, software, cloud computing, e-lawyering, services delivered via technology (Virtual Law Practices, Legal Zoom), white boards, mobile, mind-mapping tools, security, paperless
- Marketing - Social media, website, blogs, video, building profile, sponsorships, community involvement
- Economics – Alternative Fee Arrangements (AFA), ACC Value Challenge, unbundled services
- Data Security – scams, fraud, cyber crimes

Paralegal Job Forecasts

- The Bureau of Labor Statistics continues to predict that the paralegal profession is one of the fastest growing fields – in 2012, the BLS predicted an 18% growth rate from 2010 – 2020.

- The Estrin Report, dated February 5, 2013 quotes an Associated Press analysis that show that technology will continue to cost employees such as paralegals their jobs.

Reinventing Law Firms

- There will always be a need for some very large, multi-jurisdictional law firms
- Many lawyers will decide they are not happy in those firms
- Boutique firms will open as a result
- Recent job statistics for lawyers – 20,000 jobs for 40,000 new attorneys across country – will result in attorneys who are unemployed and underemployed
- There will always be a need for solo and small firms – those that survive will be the ones that are best managed

Reinventing Paralegals

- Master technology
- Keep an eye on trends in specialty areas
- Update your resume
- Strengthen your networking relationships
- Start a LinkedIn account, strengthen your LinkedIn profile and continue to add connections
- Get involved with paralegal associations or attend meetings to renew relationships and meet new people
- Take a class or CPE in a new area to expand your skills
- Make sure your soft skills are at peak performance. Soft skills include your communication skills, having a winning attitude, your ability to work well with a team, flexibility, initiative, strong work ethic. If you feel you need help in any of these areas, talk with a trusted mentor or advisor, seek a career coach, talk with a legal recruiter and get advice.
- Have a crucial conversation with your employer or HR director
- Be market savvy. Talk with other attorneys and paralegals. Read articles. Stay aware.
- Pay attention to the attorneys, especially the rainmakers, at your firm. Any departures? Retirements or pending retirements? Has your firm taken action to replace/hire others?
- Take charge of your own career

Resources

- Law 21 – blog by strategic consultant Jordan Furlong – The Evolution of the Legal Services Market – 5 part series December 2012
- ***Growth is Dead*** e-book available on the Adam Smith Esq. website – written by lawyer and consultant Bruce MacEwen
- ***The End of Lawyers? Rethinking the Nature of Legal Services*** by Richard Susskind
- ABA Law Practice Magazine Jan / Feb 2013 – “Reinventing Law Firms” – with a feature story on Raleigh NC firm Morningstar
- NC Bar Association Law Practice Management section
- ABA Law Practice Management section