Exploring Gartner's 2021 Legal Technology Trends

Gartner, Inc. is a global research and advisory firm that provides data and advice for leaders in a variety of fields, including IT, finance, HR, legal and compliance, marketing, and sales. Every year, the organization makes predictions about which technology trends will likely affect the legal industry over the coming year.

This year, Gartner's legal forecast includes Artificial Intelligence (AI), advanced automation, and a continuous increase in legal tech usage. The following post explores a few of their legal industry predictions:

AI Power

Pressure from law firm administrators to increase productivity and decrease response time will lead to more reliance on AI-powered technologies. Some attorneys have already started exploring ways that AI can benefit their firms. Here are some examples:

- **Legal research and due diligence** – New AI technologies can handle these duties in minutes instead of the hours, days, or even weeks that it can take for lawyers to manually complete them. With machine learning, law firms can save clients thousands of dollars and eliminate expensive research costs. These same AI technologies can also be useful for expediting arbitration and litigation proceedings with their due diligence features.
- **Document review and contracts** – According to an article from Forbes, AI "can review documents and flag them as particular to a case. Once a certain type of document is denoted as relevant, machine learning algorithms can get to work to find other documents that are similarly relevant." These capabilities can take a significant load off of

lawyers. In addition, AI can efficiently handle contract revision by providing a more consistent and accurate contract creation process.

- **Legal outcome predictions** – With AI, attorneys can effectively store and analyze years of legal data. The collected information provides law firms with insight on similar cases and helps them craft more informed strategies for client matters. By leaving less profitable tasks to AI, attorneys can spend their time on more valuable aspects of a case.

Virtual Legal Assistants

Calls for greater efficiency will also increase the use of virtual legal assistants within the legal industry. These professionals provide administrative support for lawyers remotely. Gartner characterizes virtual legal assistants as useful resources for improving the allocation of human resources.

The identification and onboarding of new employees can be expensive and overly time-consuming. Not only do firms have to find the right talent, but they must also consider the overhead costs that come along with bringing on a new hire.

With virtual legal assistants, law firms can avoid these extra costs and challenges, which benefits firms in a number of ways:

- **Improved Time Management** – Attorneys spend many hours each week on administrative duties, which limits their available time for work on billable client tasks. The presence of a legal virtual assistant opens up the door for administrative work to be delegated, which immediately frees up valuable time for attorneys.
- **Greater Cost-Effectiveness** – With a virtual legal assistant, law firms only pay for the work they need to be completed. If the assistant is only needed for 10 hours a week, the firm only pays for those 10 hours. Firms have no duty to pay workers for 40-hour work weeks regardless of their productivity.
- **Enhanced Productivity** – Virtual legal assistants provide law firms with the ability to become 24/7 organizations, which can provide a significant boost to productivity and preparedness.

- **Scalability** – Scalability means growth. Hiring employees as part of a growth plan can prove unpredictable. A virtual legal assistant allows for more work to get done while also maintaining more control for future growth.

Legal Technology Experts

Gartner predicted that by 2023, 33% of corporate legal departments will have a dedicated legal technology expert on staff to support the automation of workflows. According to a study published by the company, a gap currently exists between individuals with legal expertise and individuals with technical know-how.

According to Gartner, legal tech experts will experience increased employment opportunities as technical changes within the industries of law and compliance gain momentum, increasing the demand for these unique hybrid roles.

Automation

As companies rebound from the financial stresses of the pandemic, the demand for corporate transactional work will steadily increase. Law firms that provide corporations with legal services are likely to experience an increase in automation related to major corporate transactions.

As stated by Zack Hutto, Director of Advisory with Gartner, "Eighty-seven percent of legal departments we surveyed in 2020 expected their total number of in-house full-time employees to stay the same or decrease. Traditionally, larger workloads could only be met through higher in-house productivity or costly outside counsel. Advances in natural language processing and machine learning (ML) technologies open a third way for handling these critical tasks."

This isn't a new phenomenon. In 2019, the average legal department reported that 33% of its corporate transaction work had already been automated. In addition, within the same survey, legal departments reported

that 55% of their work on corporate transactions could potentially become automated.

Increased Technology Spending

According to Gartner, by 2025, corporate legal departments will triple their legal technology spending. "The COVID-19 pandemic has heaped even greater workloads onto already thinly stretched in-house legal teams, with staffing levels holding flat," stated Hutto. "Legal leaders are seeing that other departments have found success with their tech investments and also significant advancements in the legal tech market. This is driving their appetite to expand their use of technology to support workflows and meet productivity demands."

While this prediction is specific to corporate legal departments, it also follows that law firms of all sizes will also increase their legal technology spending to meet industry needs. Firms will need multi-year legal tech strategies that can evolve with changing client demands, as well as tech advances in the legal marketplace.

As firm leaders make these spending decisions, they should pay close attention to their legal billing software choices. The best options provide firms with features that promote profitability, assist with informed forecasting, streamline the invoicing process, and improve firm collections. TimeSolv legal billing software includes tools that provide law firms with all of these valuable benefits.