

In the Age of Covid-19 – Law Firm Profitability & Legal Tech Go Hand in Hand

When compared to other industries, the legal profession has been slow to get on board with technology. But the effects of COVID-19 made the value and need for tech advancements painfully clear. American law firms spend billions on legal tech every year in an effort to satisfy clients, drive promote productivity, and increase revenue. In response, legal tech companies have become a vital part of the industry, offering products that streamline the administrative and legal processes of a law firm.

In this age of COVID-19, legal tech is a must-have for law firms that seek to maintain or increase profitability. This post will explore some profit-driving components of legal practice that are significantly enhanced by legal technology.

Case Management

With comprehensive case management software, law firms can easily automate many of the processes involved in matter management. Tasks such as scheduling appointments, organizing contact lists, managing documents, and entering billing data can be handled by these platforms in an efficient manner with less effort on the part of firm members.

Effective case management is essential to law firm profitability, making this type of software a vital part of legal practice. These systems house all information and records related to a matter in one centralized location for improved accessibility by all credentialed firm members. Members can easily share documents with other lawyers within the firm – even as they continue to work outside of the physical law office.

Artificial Intelligence

It took a while, but Artificial intelligence (AI) has made its way into the legal profession. Some legal technologies use AI to analyze legal contracts for the purpose of automating the editing and approval processes. According to some of these tech companies, AI capabilities can save up to 80% of the time that attorneys typically spend performing contract review tasks.

In addition, AI has transformed e-discovery and document review processes by allowing law firms to quickly sort through large batches of data and identify pieces of relevant information. Handling these tasks used to mean hiring a large group of attorneys or paralegals to comb through volumes of documents, which can be particularly challenging in the middle of a pandemic. With AI technologies, trial preparation is handled more quickly without the need for additional hiring, which can deplete potential profits.

Improved Client Relations

Client relations and communication can make or break a law firm's reputation within the community. Happy clients help law firms grow their revenue through referrals, and consistent communication is one of the best ways to keep clients happy. Legal technologies have made it possible for lawyers to communicate with clients wherever and whenever the need arises. They are no longer chained to the parameters of a physical office. Using smartphones, tablets, and remote capabilities, an attorney can hold a face-to-face meeting with a client no matter where physically located.

Technology has also improved client communications through the use of client portals. With these law office tools, clients can log into their personal accounts to view bills, read messages, and see progress on their matters.

Electronic Billing

There can be no profitability without clients paying their bills, and legal technology has done a lot to make that happen in a more convenient and efficient way. Electronic billing has become a staple of the legal profession, often replacing the use of traditional methods to manually track time and create client invoices. The COVID-19 shutdowns left many law firms without the ability to bill and collect client payments while operating remotely, which highlighted electronic billing as an absolute necessity for maintaining profitability.

Cloud Technologies

The photocopiers, printers, and fax machines that used to take up vital law office space are slowly being replaced with cloud technologies that streamline the process of transferring documents and data from one firm member to another. Cloud-based software is being used to handle the business aspects of running a law office, along with specific case management duties. From case intake through the conclusion of the trial, cloud technologies have become essential for profitability.

Leveraging Data

The uncertainty of COVID-19 has made the business analysis more vital than ever for law firm leaders, but legal tech has also evolved to meet this need. Many legal billing and practice management platforms offer detailed reporting capabilities that allow attorneys to view analytics about their practices. With this data, a firm's financial health can be analyzed so that necessary adjustments can be implemented. Profitability takes planning and reporting data must be a part of that process.

Work/Life Balance

The connection between work/life balance and profitability may not seem obvious, but when attorneys consistently operate at their best physical, mental, and emotional levels, that can translate into satisfied clients,

greater revenue, and firm growth. Technology has helped lawyers gain a better work/life balance in various ways, especially with the growth of remote working arrangements during the pandemic. Even as the world opens back up, many firms have opted to remain virtual or give their employees a choice in their working environment. This can translate to more control over working hours and a greater ability to be present in other aspects of life.

Technology has also provided attorneys with various tools that promote emotional and mental health. From fitness watches to meditation apps and email organizational tools, lawyers have numerous tech resources to choose from when seeking a better work/ life balance.

Legal Technology is a Must for Greater Profitability

Even with widespread hesitation, technology has become a crucial component of law firm profitability. During this uncertain time in history, there should be no question about investing in legal tech. It is an absolute must in order to increase profitability in the age of COVID-19.