

# The 2018 State of Legal Technology Report

Proactive law firms listen to what clients want and are using investment in legal technology as a competitive edge.



## \$73 billion

Corporate law department legal spend in 2017

### Corporate law departments demand value



## 66%

say it is a high or medium priority to work with firms that proactively demonstrate value



## 53%

of corporate law departments reduced the number of outside law firms

Law firms need to help corporate law departments cut costs, increase efficiency, and prove value to their management

### How proactive law firms can use technology to show value:



## 1. Invest in technology

Law firms that made higher investments in legal technology (3.2% annual increase or more) saw better performance in several key areas compared to firms that allocated a lower amount (especially firms that allocated a 1.2% annual increase or lower).

▲ Higher demand   ▲ Higher productivity   ▲ Higher rates and realization



## 2. Use technology to create efficiencies

⚙️ Contract management

📋 Matter management

💰 Billing and pricing

- 74% of General Counsel said they want lower fees. Technology can help firms run more efficiently to meet that demand.

- 1 out of 4 General Counsel critical of their firms cited billing issues as the root cause.



## 3. Use technology to collaborate

**Be a partner, not a vendor.** More and more legal work is being provided by an increasingly diverse group of outside providers. Technology can help law firms collaborate to provide superior service while driving down costs.

Law firms proactively addressing client needs can achieve significant success. That includes:

- Advanced analytics to understand clients' needs better
- Flexible pricing models
- Lawyer productivity tools
- Work process changes
- Alternative staffing strategies
- Making better use of innovative legal technologies

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