

# Accelerating Change: COVID-19 and The Legal Profession

With Rio From Clio

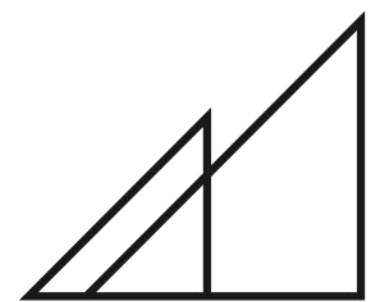
# Rio Peterson

Affinity Program Manager

[rio.peterson@clio.com](mailto:rio.peterson@clio.com)

[@RioFromClio](#)



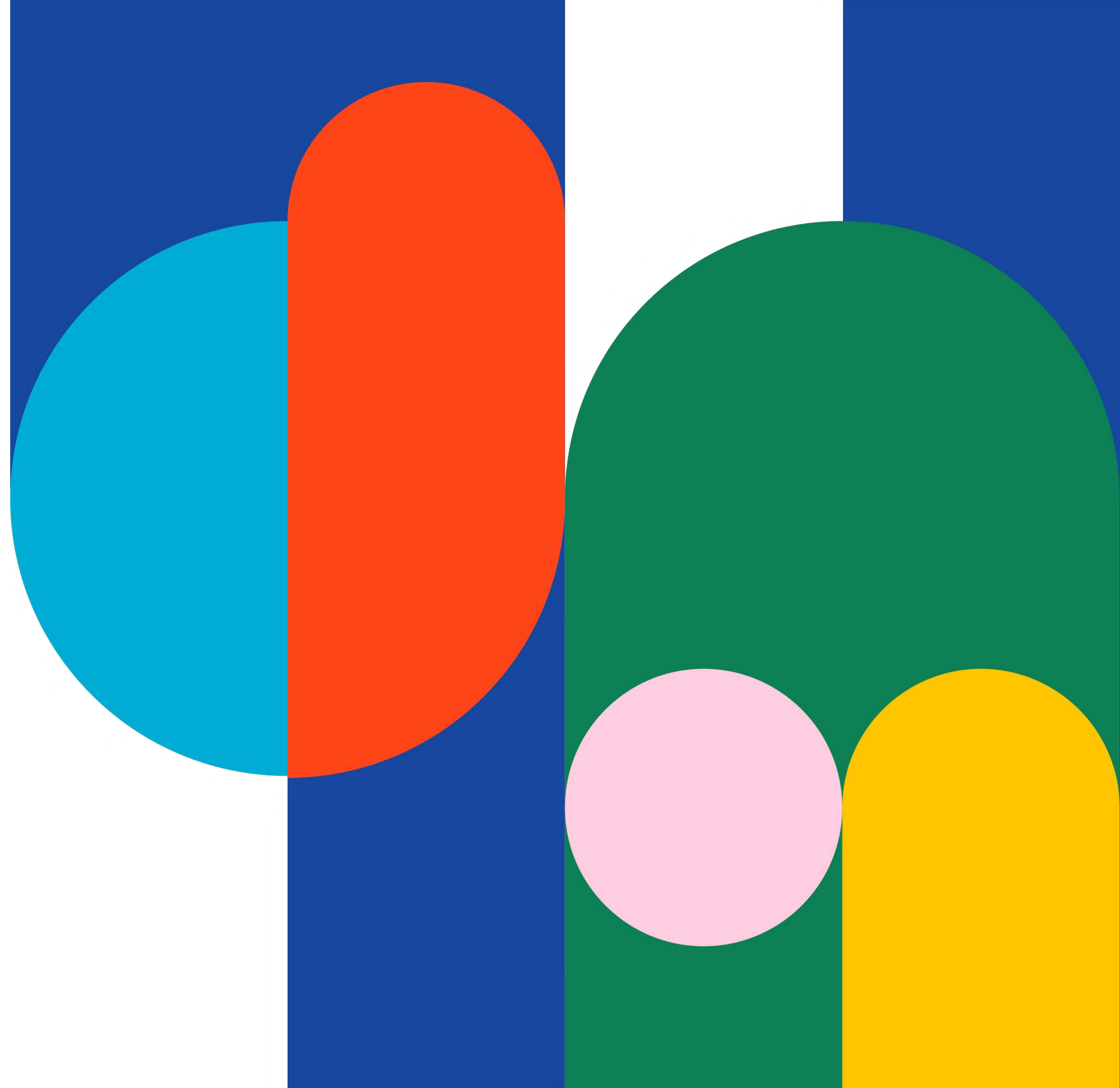


# LEGAL TRENDS REPORT

PUBLISHED BY CLIO

## **Part 1:**

# **Exploring the Insights**





# Our fifth annual edition









“

Be humble and recognize that, to a rounding error, 'no one knows s\*&T'... what you are doing is scenario planning in the face of the most unique economic event in history, a simultaneous worldwide voluntarily-induced recession.

RORY O'DRISCOLL | SCALE VENTURE PARTNERS

# VUCA

# VUCA PRIME



Volatility



Vision



Uncertainty



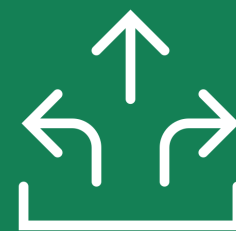
Understanding



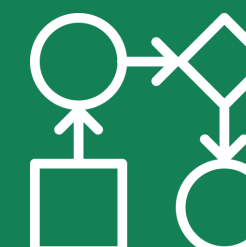
Complexity



Clarity



Ambiguity



Agility





# Our Data Inputs

All results are  
anonymized and  
aggregated

## Clio's app data


Aggregated and anonymized data from  
tens of thousands of legal professionals.

## Surveys of US legal professionals

Multiple surveys with over 1,000 responses  
containing qualitative and quantitative results  
from practicing legal professionals.

## Surveys of US general population consumers

Multiple surveys of over 1,000 responses  
from members of the general population.



# COVID-19's Impact on Legal

[www.clio.com/covid-impact](http://www.clio.com/covid-impact)

# Contents: Part 1

- 1** Unpacking the impact of COVID-19 on the legal profession
- 2** The aggregation of marginal gains through technology
- 3** The rapid rise of the cloud-based, client-centered legal practice



# The impact of COVID-19

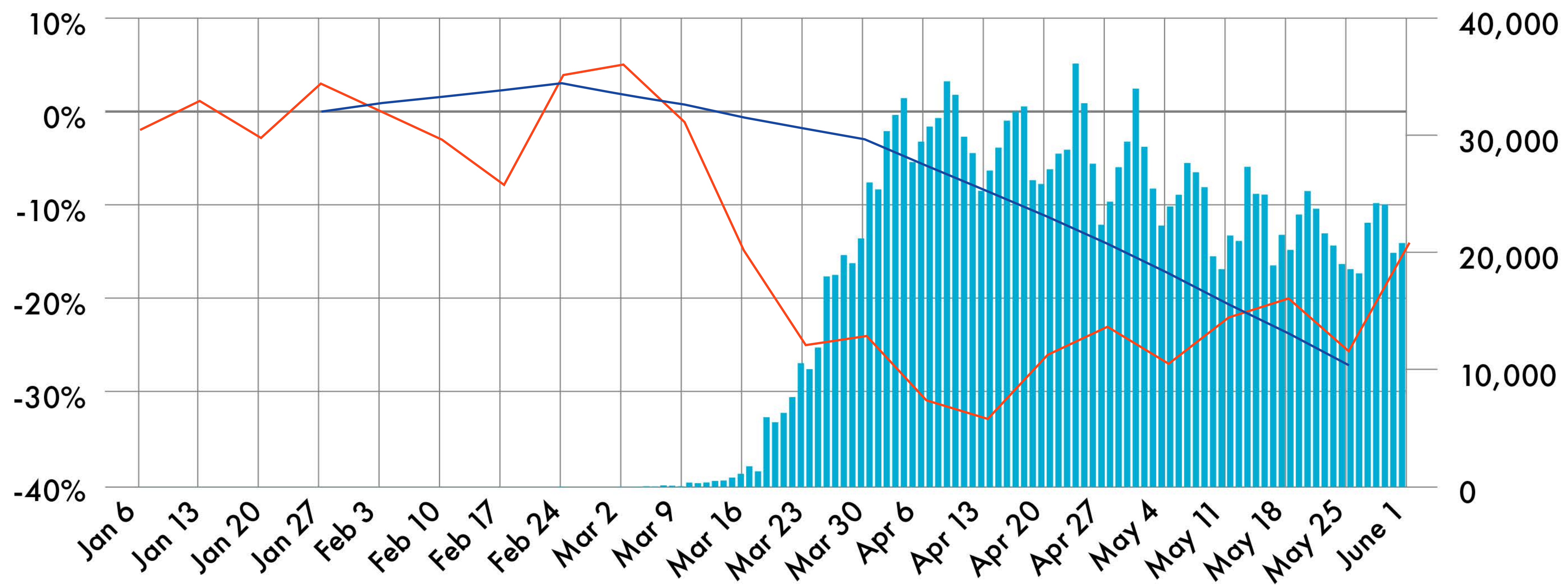
“

I'm just trying not to lose too much money ... COVID is going to cost us between \$100,000 and \$500,000 in revenue because a lot fewer cases are coming in.

- JASON | PRACTICING LAWYER

# Law firms see monthly billings decline

- New coronavirus cases
- % change in new matters
- % YoY change in monthly billing volume\*

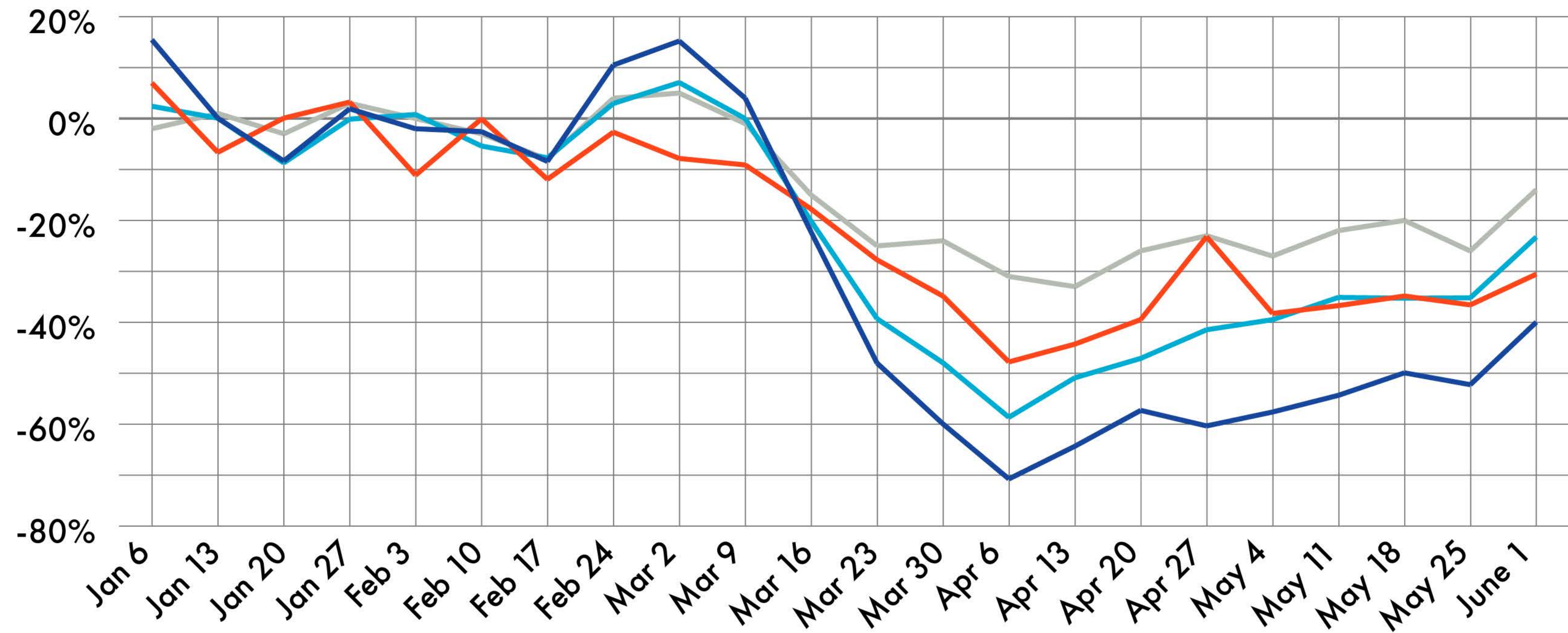


\*YoY comparison,  
adjusted for annual growth



# Criminal, Personal Injury, and Traffic Offenses have seen more reduction in cases than others

- Criminal
- Traffic Offenses
- Personal Injury
- US average



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# 61%

OF CONSUMERS SURVEYED  
SAID THEY WOULD NOT BE  
ABLE TO AFFORD A LEGAL  
PROBLEM

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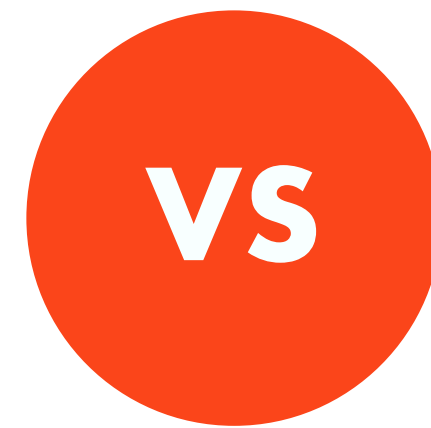
IN APRIL AND MAY OF 2020  
CANADA'S UNEMPLOYMENT  
RATE ROSE TO

**13.7%**



# 33%

of consumers believed  
lawyers had stopped  
offering their services  
through April and May.

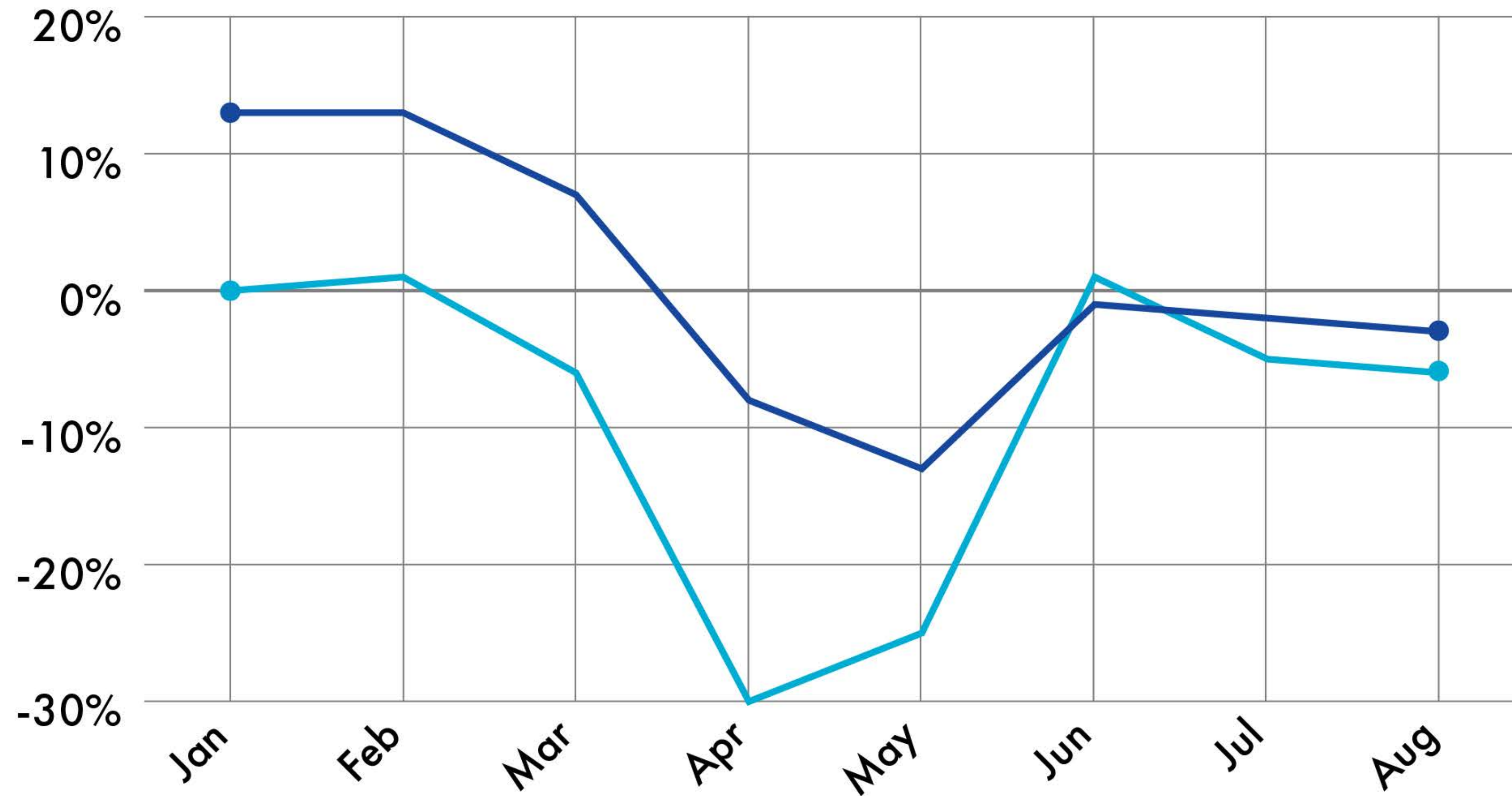


# 2%

of firms had stopped  
offering their services.

# New casework and firm revenue compared to previous year

- New matters (YoY)
- Revenue (YoY)



# The aggregation of marginal gains







“

Everything that I'm doing in the back of my mind I'm thinking, how can I make my life easier and how can I make it look more professional?

**DAVID | PRACTICING LAWYER**

**Which firms  
proved  
to be the  
most agile?**



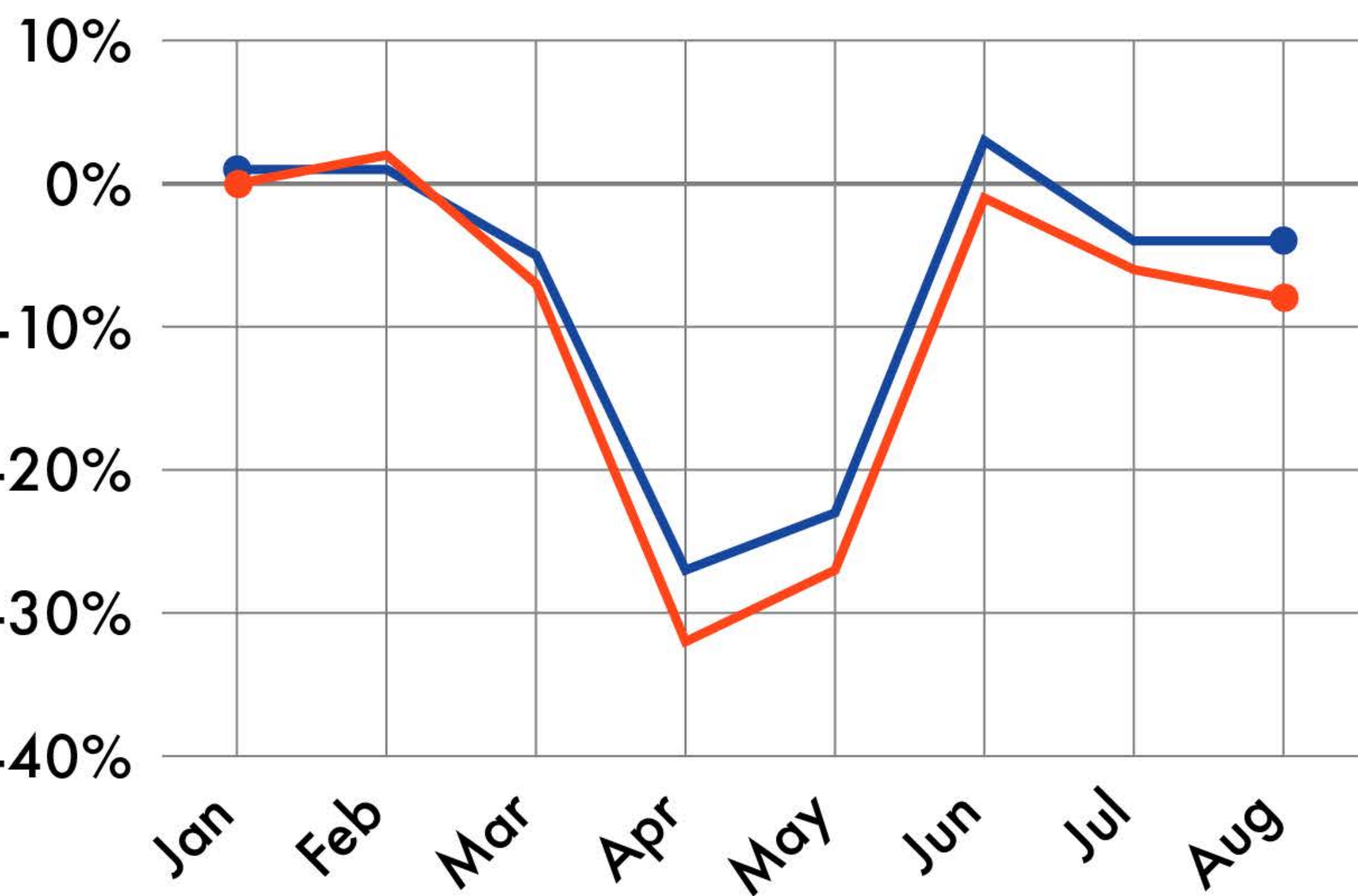
# **#1**

# **Online Payments**

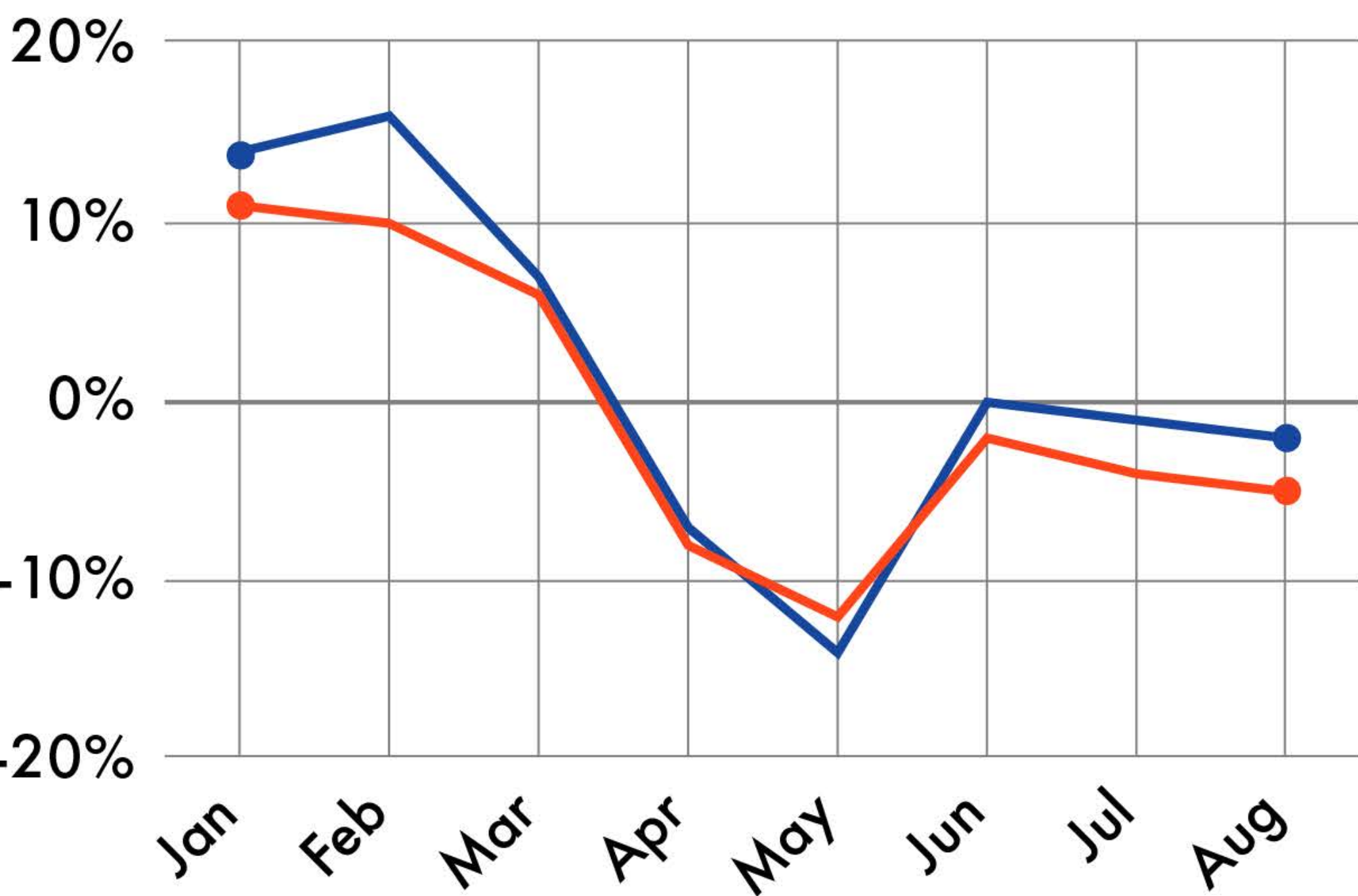


# Electronic payments

## YoY comparison of matter volume



## YoY comparison of revenue

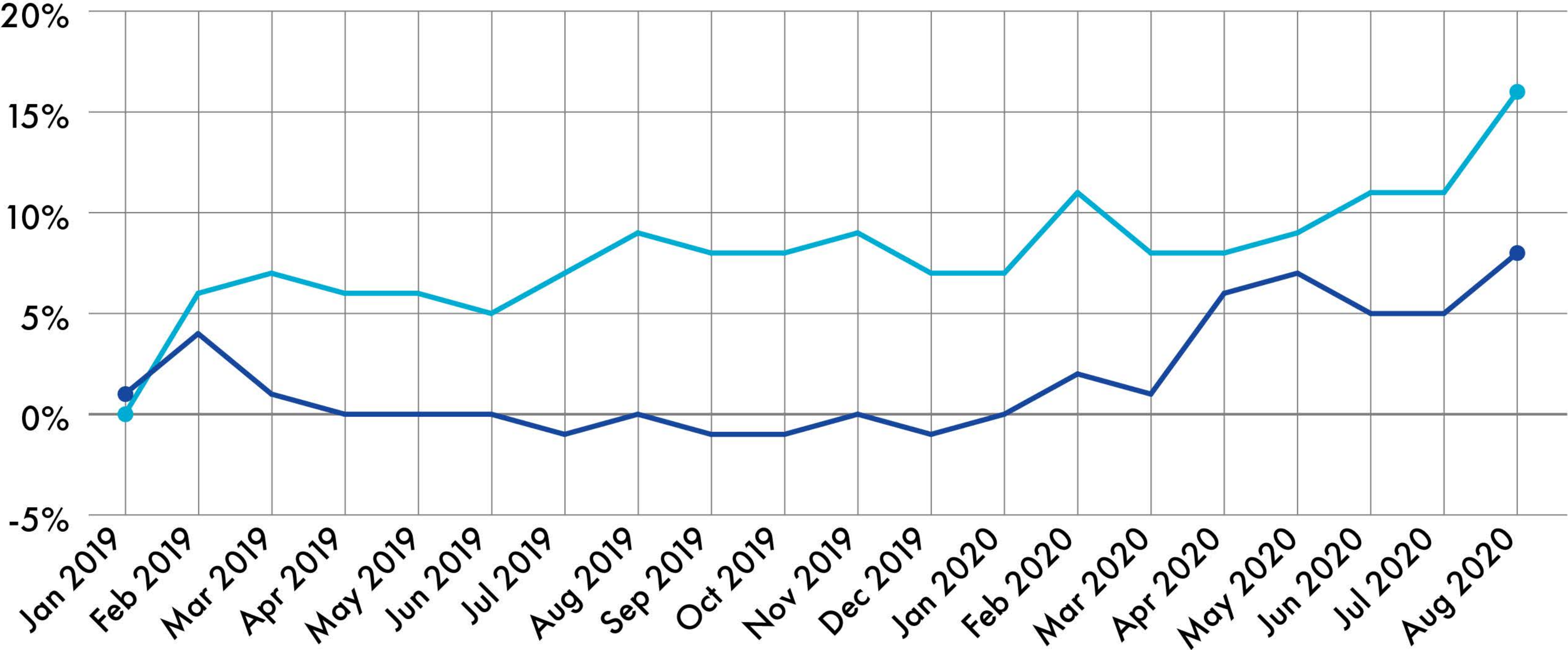


- Uses electronic payments
- No electronic payments



# Advantages to using electronic payment

- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)



# **#2**

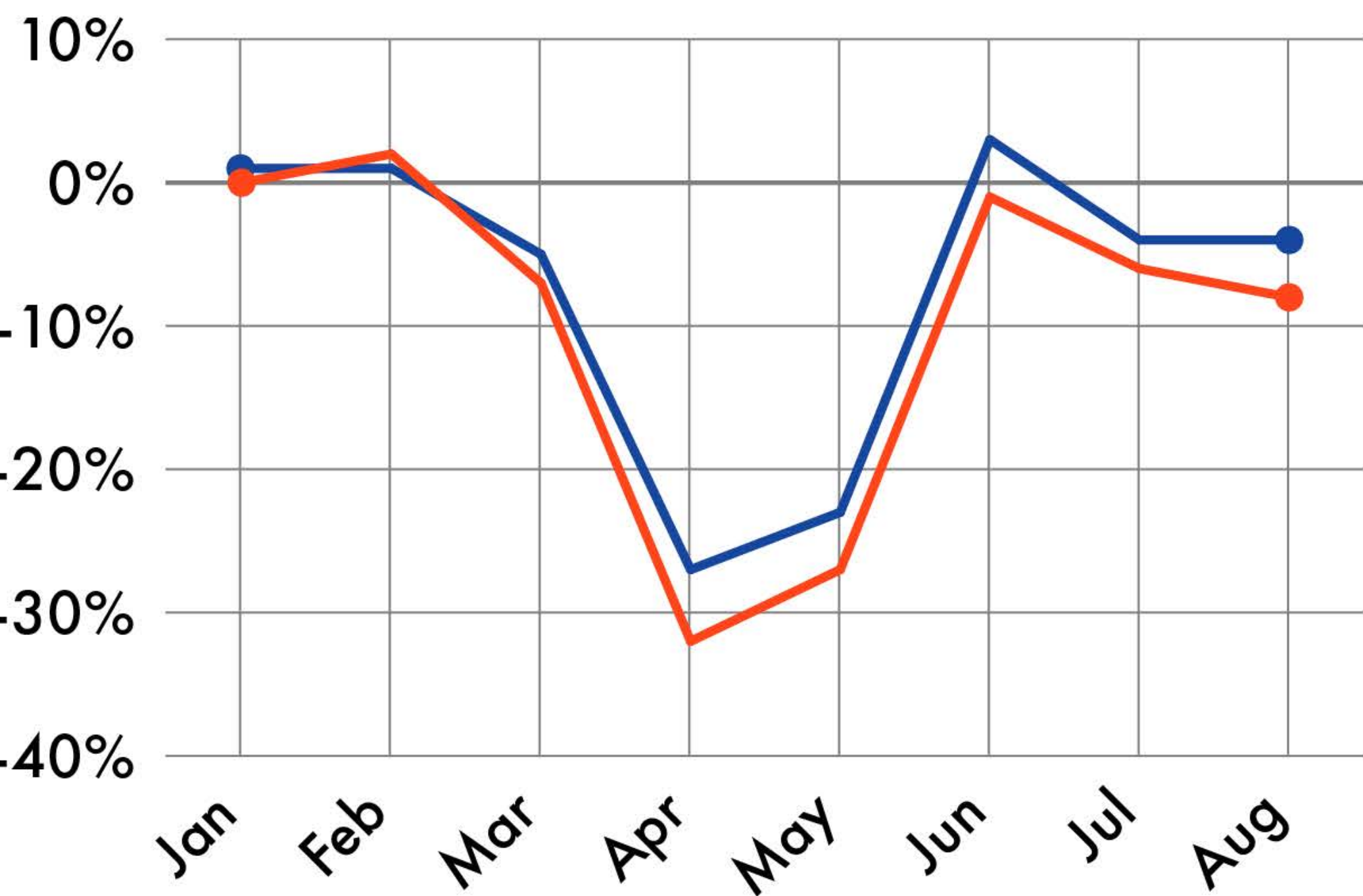
## **Client Portal**





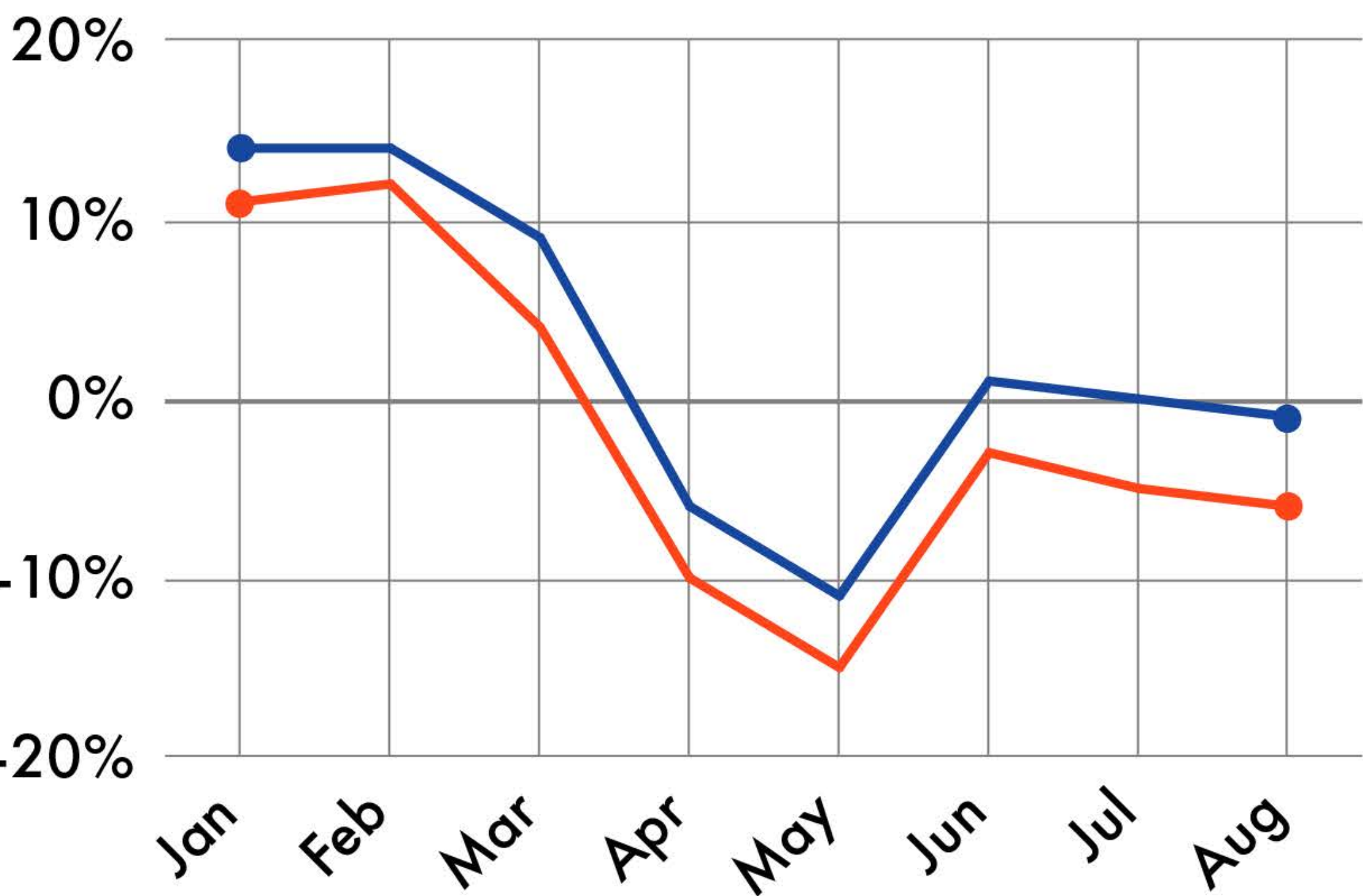
# Client portals

## YoY comparison of matter volume



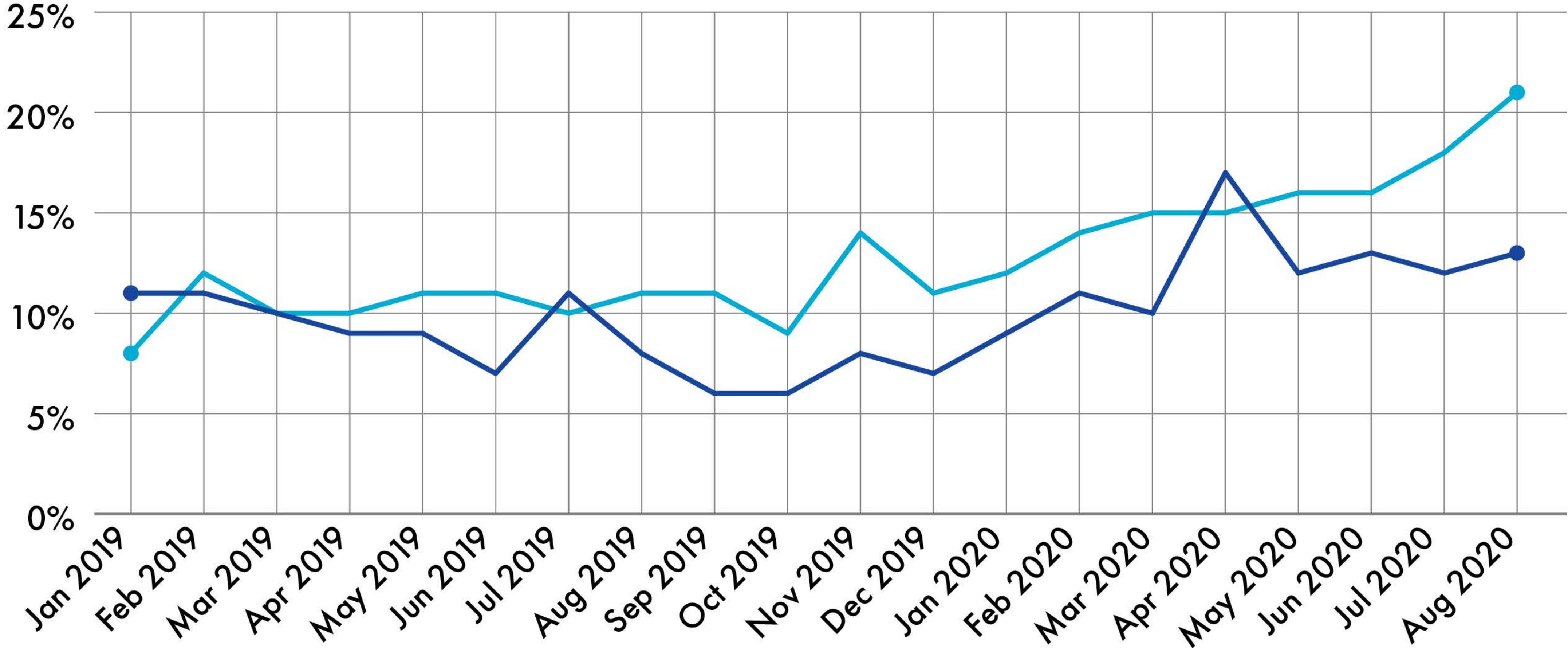
● Uses client portal      ● No client portals

## YoY comparison of revenue



# Advantages to using client portals

- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)



**#3**

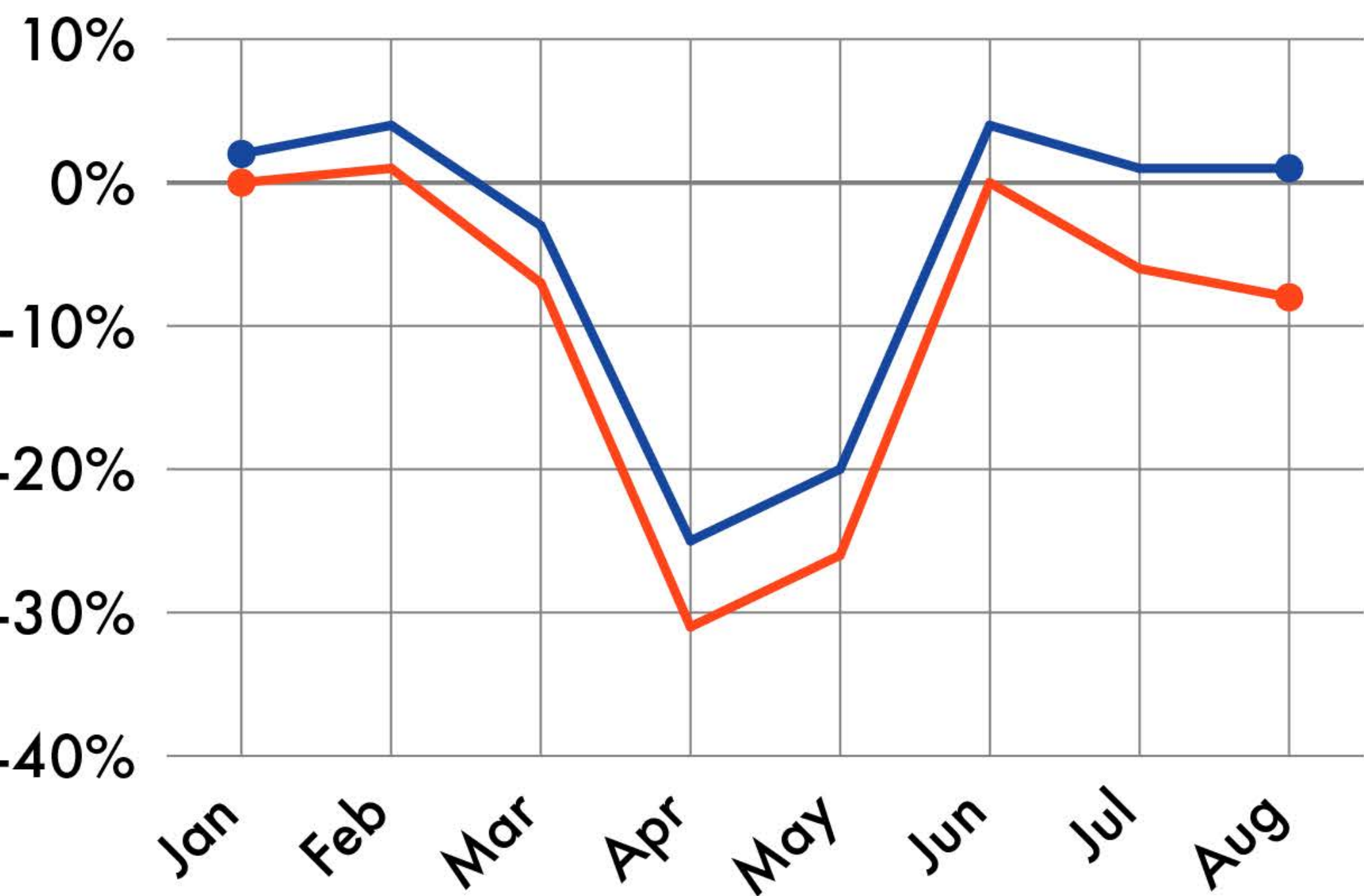
# **Client Intake/ Legal CRM**





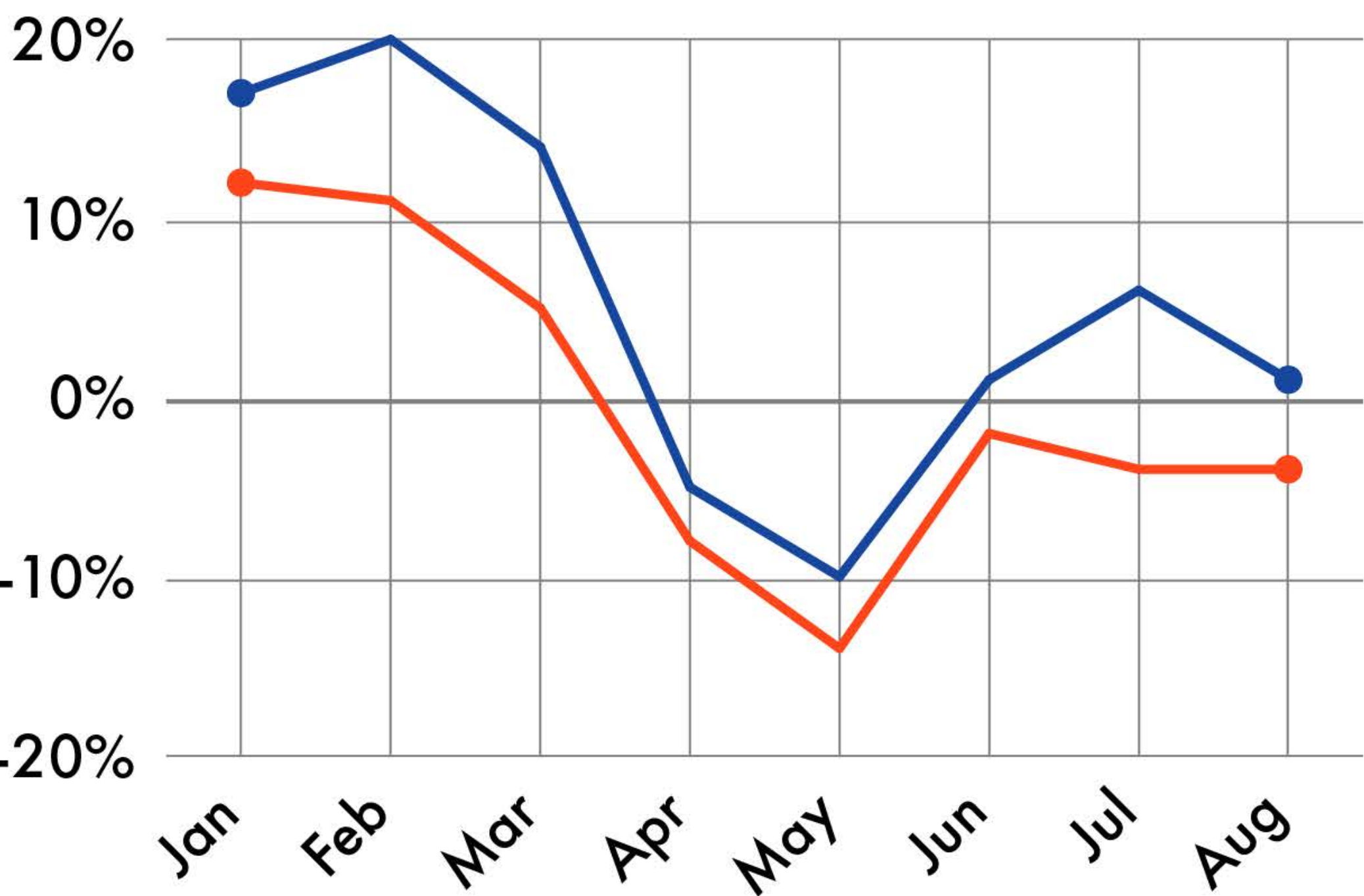
# Client intake and CRM

## YoY comparison of matter volume



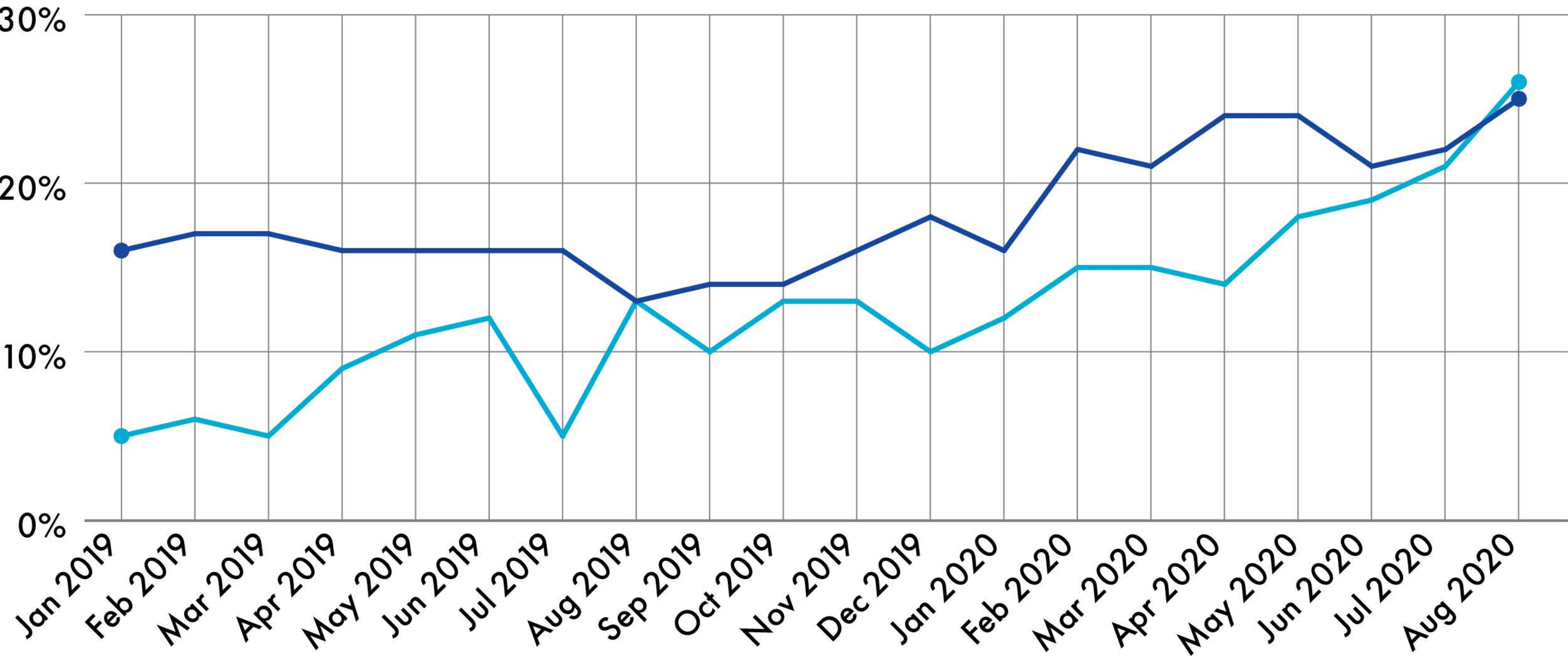
- Uses client intake and CRM
- No client intake and CRM

## YoY comparison of revenue



# Advantages to using client intake and CRM

- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)



**What  
happened for  
firms that had  
all three?**

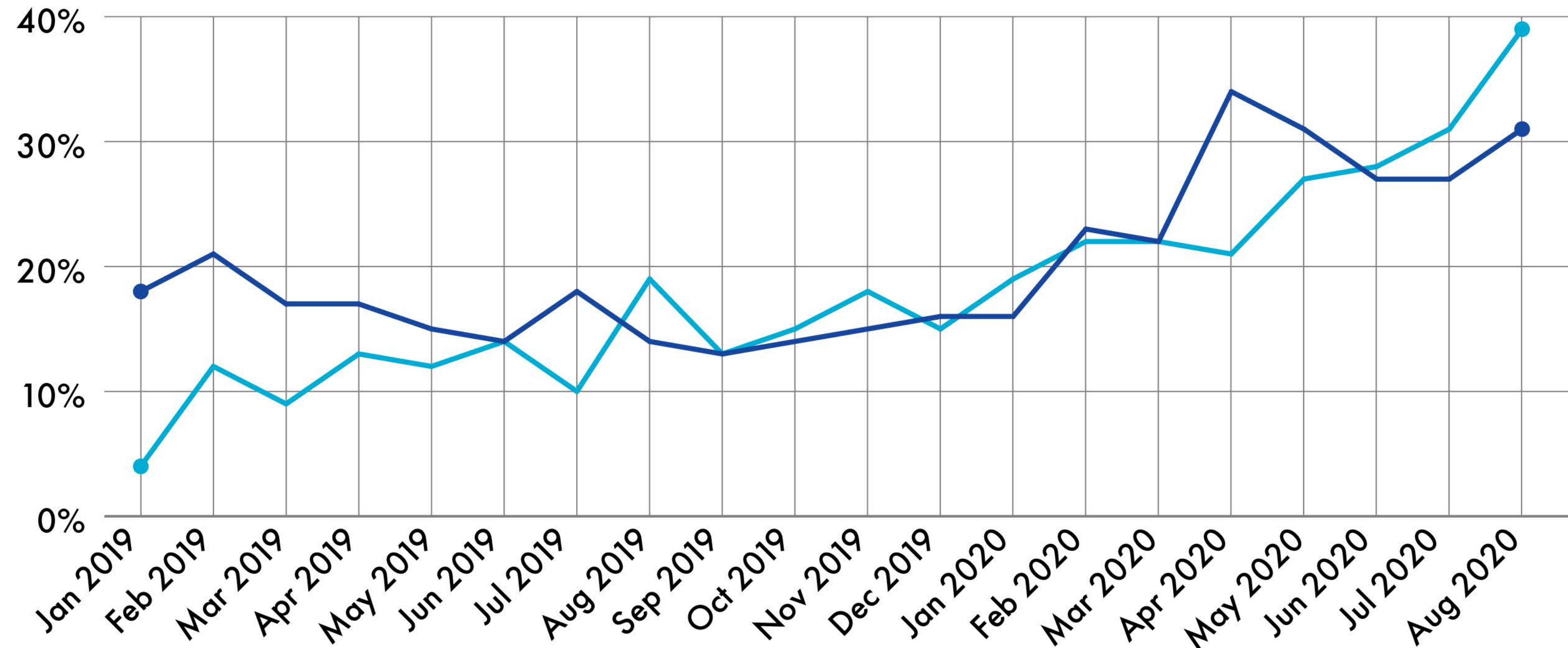




# Advantages to using multiple technologies

\*Electronic payments, client portals, and client intake and CRM

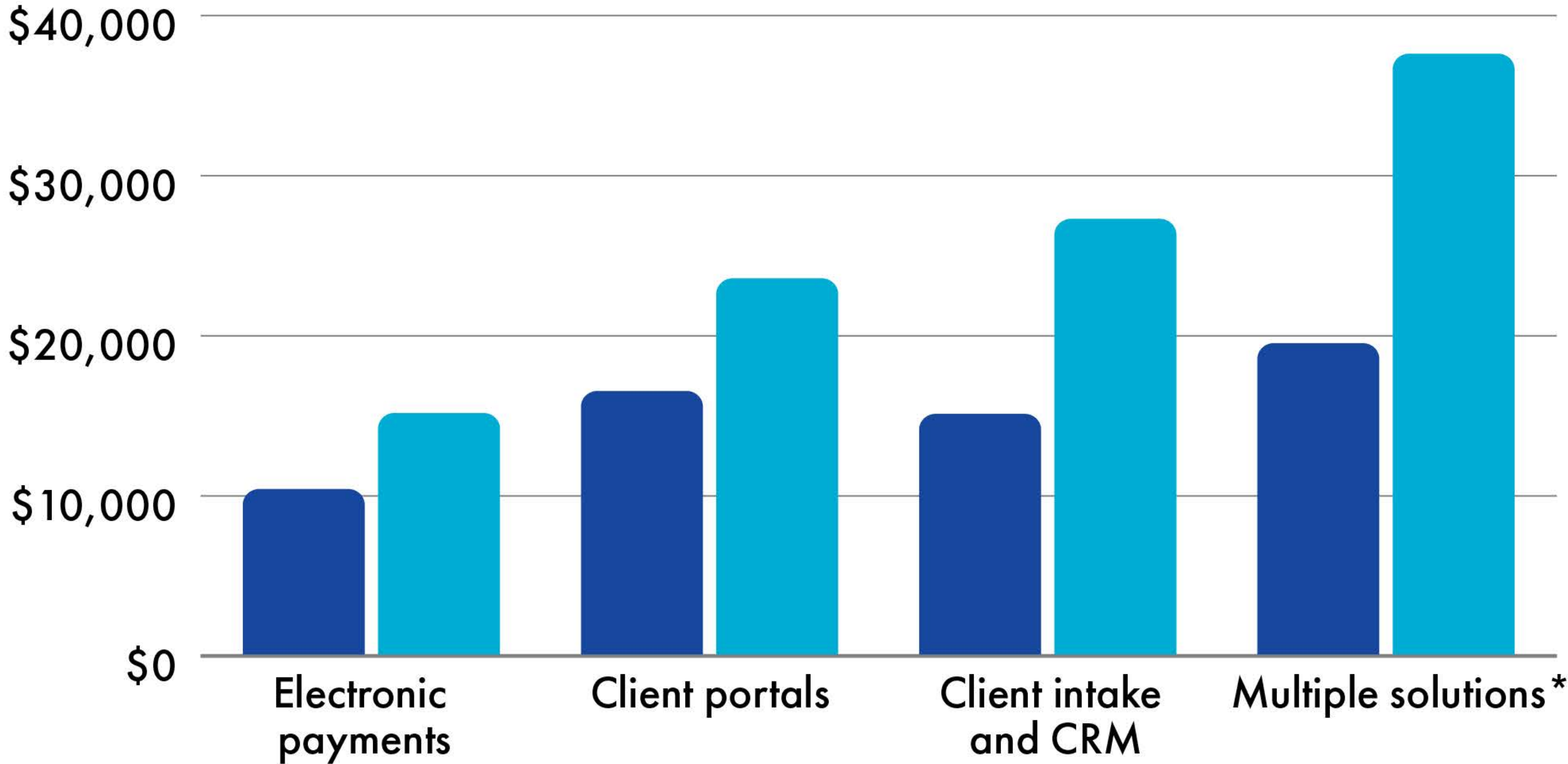
- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)



Firms using multiple legal technology solutions collected **\$19,541** more per lawyer in 2019, and are projected to collect **\$37,622** more in 2020.


Revenue advantages to using technology solutions (per lawyer)\*

2019  
2020 (Projected)



\* Electronic payments, client portals, and client intake and CRM



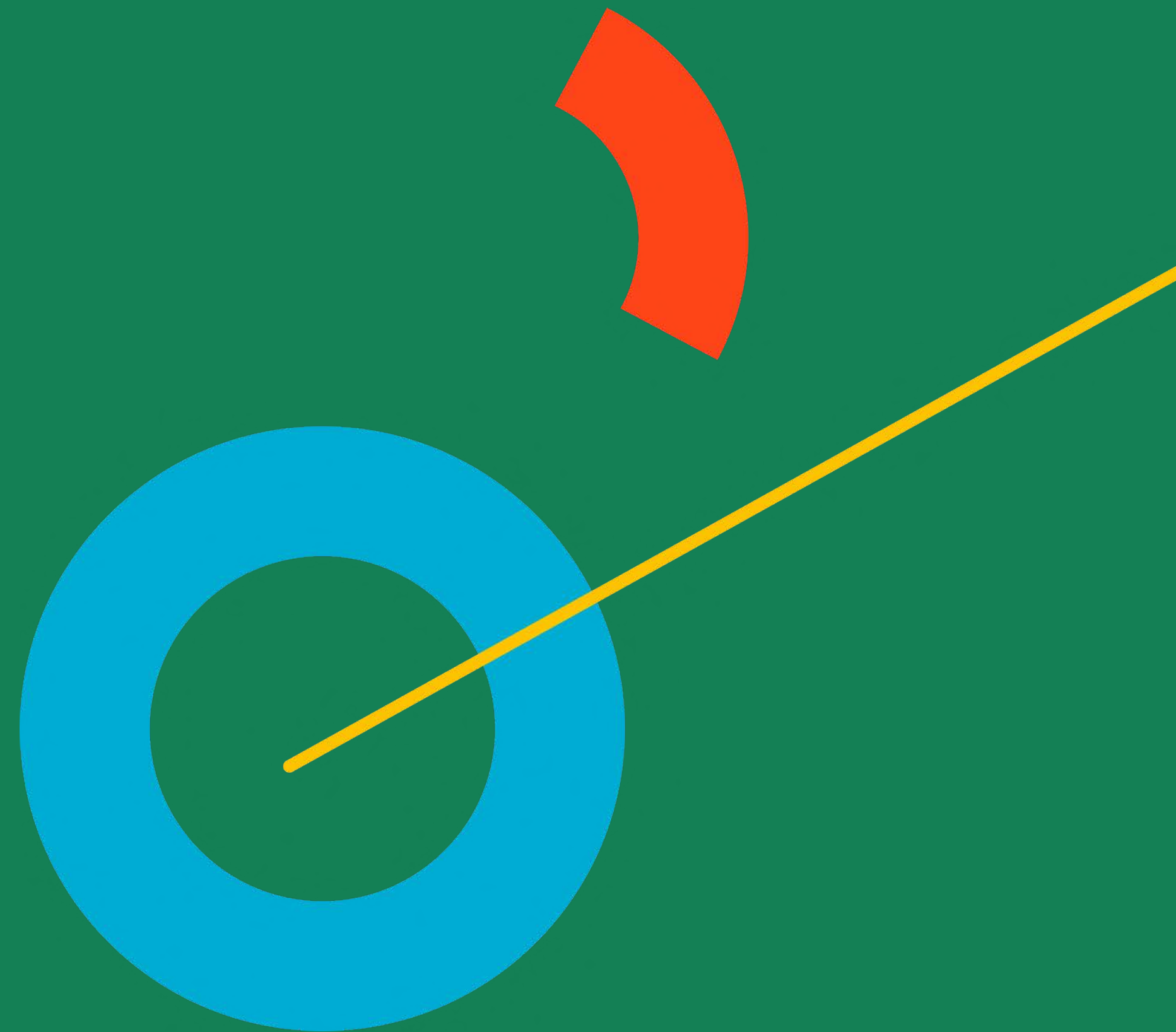


# The Cloud-Based, Client-Centered Legal Practice

“

You'd be surprised how many people really get it. I had a 90-year-old sign an engagement agreement on an iPad the other day.

MATTHEW | PRACTICING LAWYER

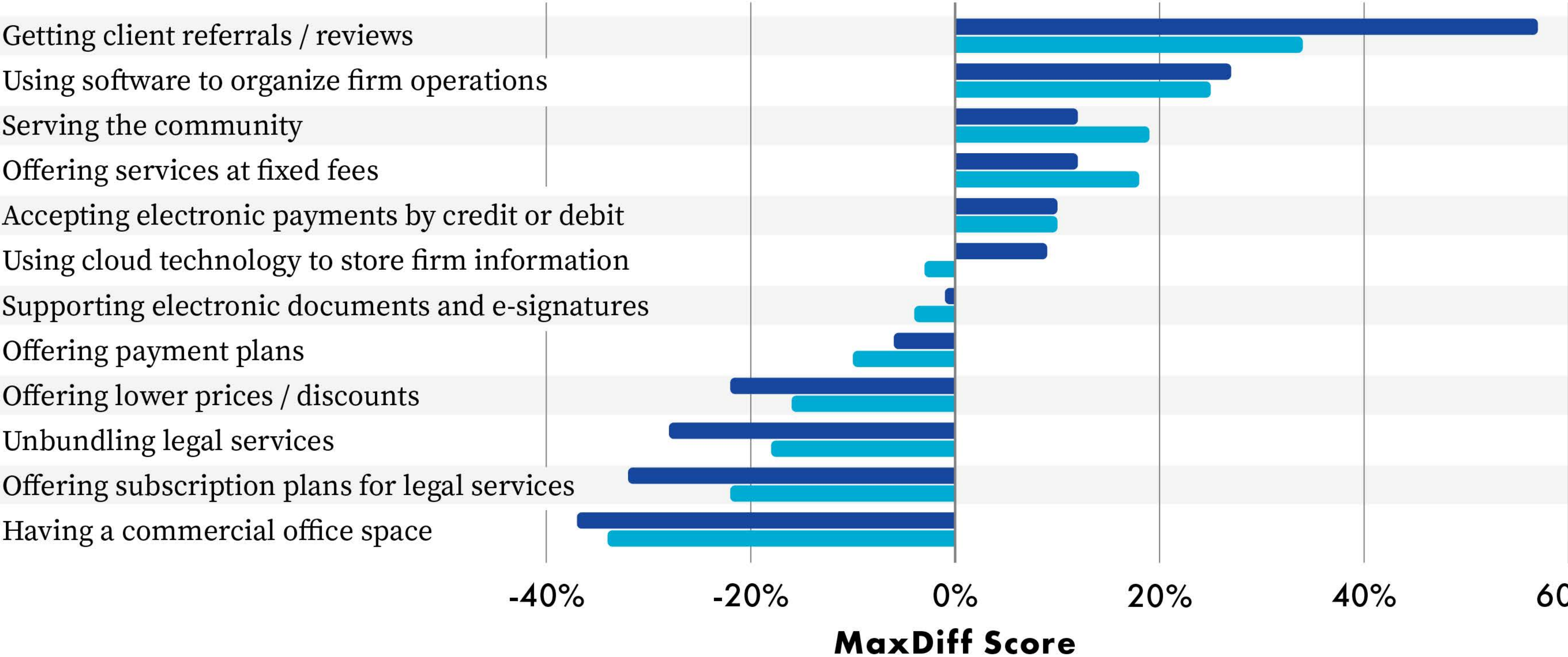




**What drives  
success  
in this  
environment?**

# Achieving law firm success and hireability

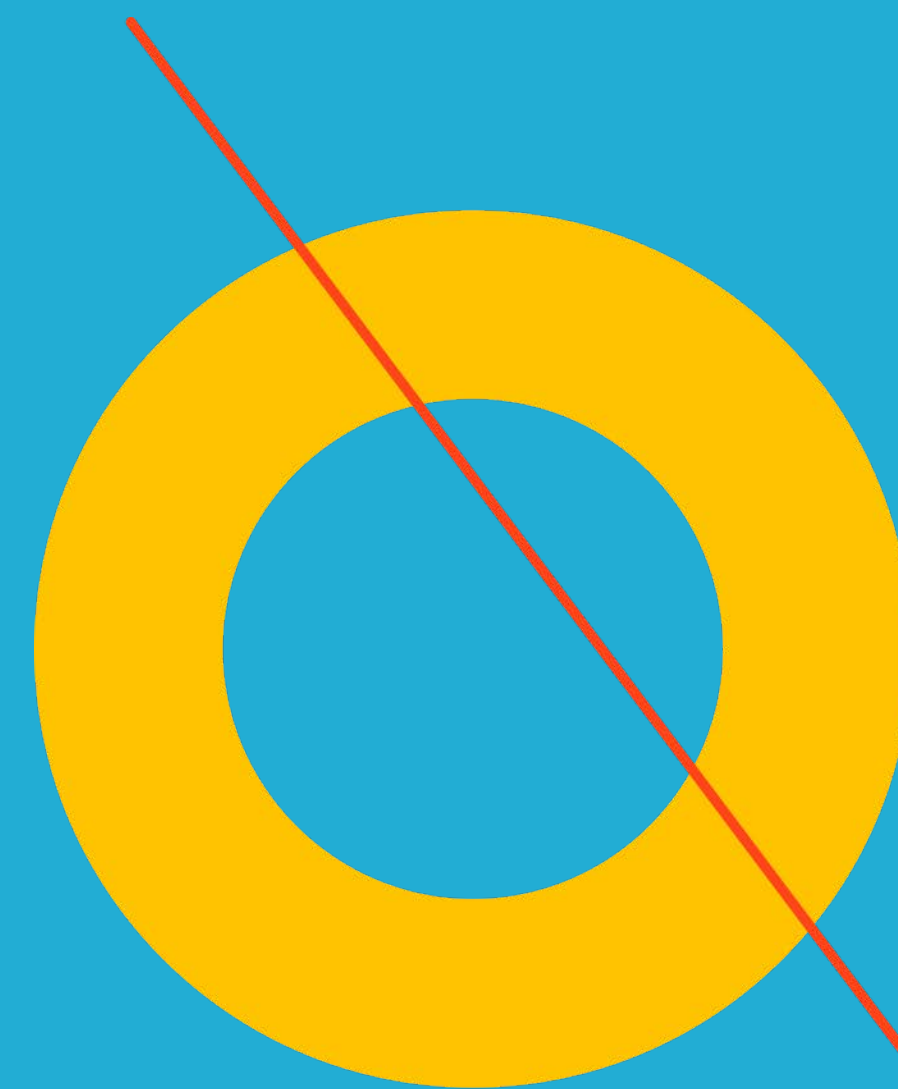
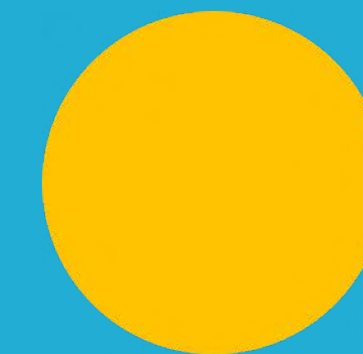
- Achieving success (according to lawyers)
- Hireability (according to consumers)





Commercial  
**office space**  
ranked as the  
**least important**  
factor to driving  
future success

**Technology is  
more important  
to clients than  
ever before**



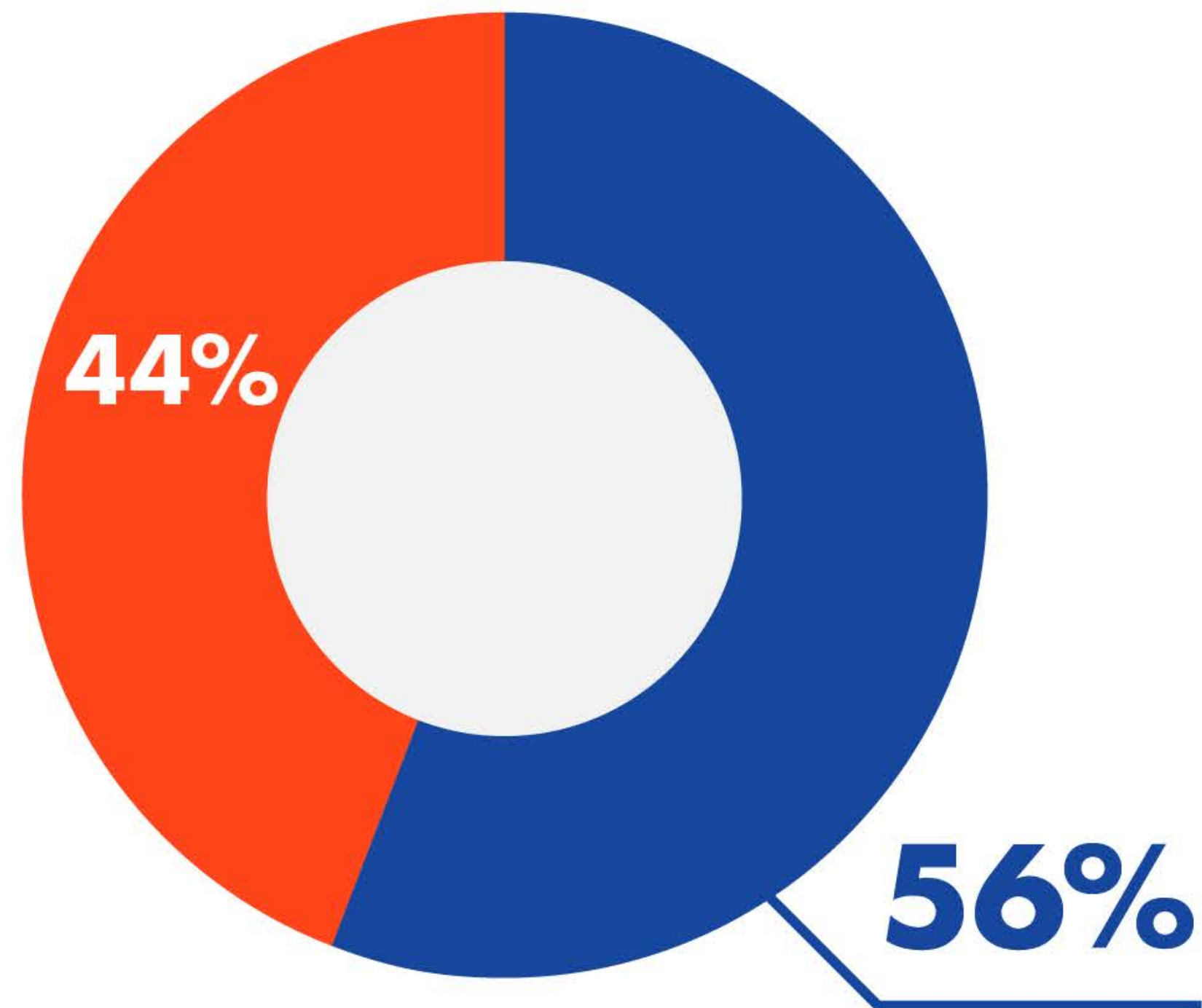


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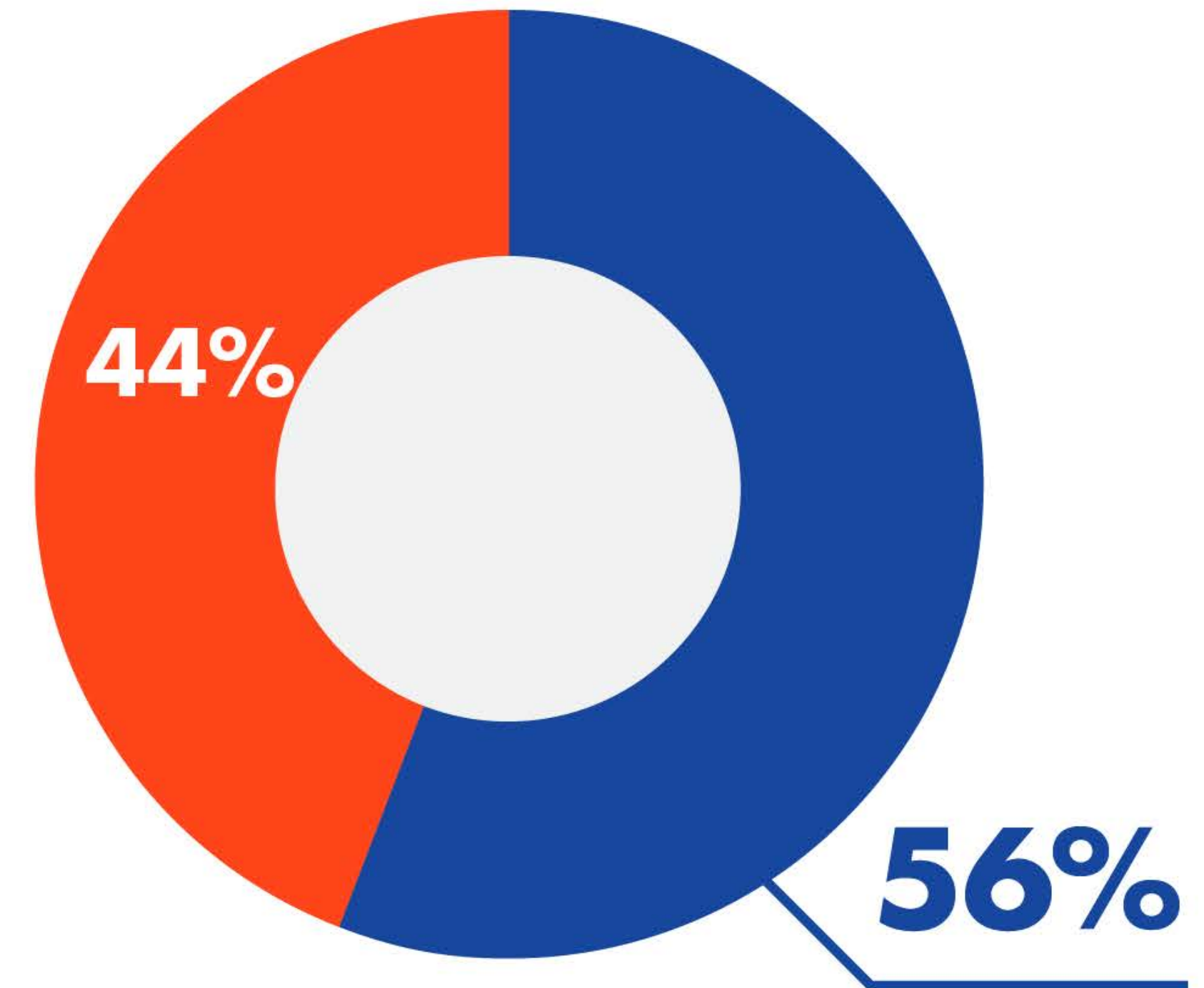
# 58%

OF CONSUMERS SAID THAT  
TECHNOLOGY IS MORE  
IMPORTANT TO THEM  
NOW THAN IT WAS  
BEFORE THE  
CORONAVIRUS PANDEMIC.

**56% of consumers believe they should be able to deal with most legal matters remotely without meeting anyone in person**



**56% of consumers prefer videoconferencing instead of a phone call**

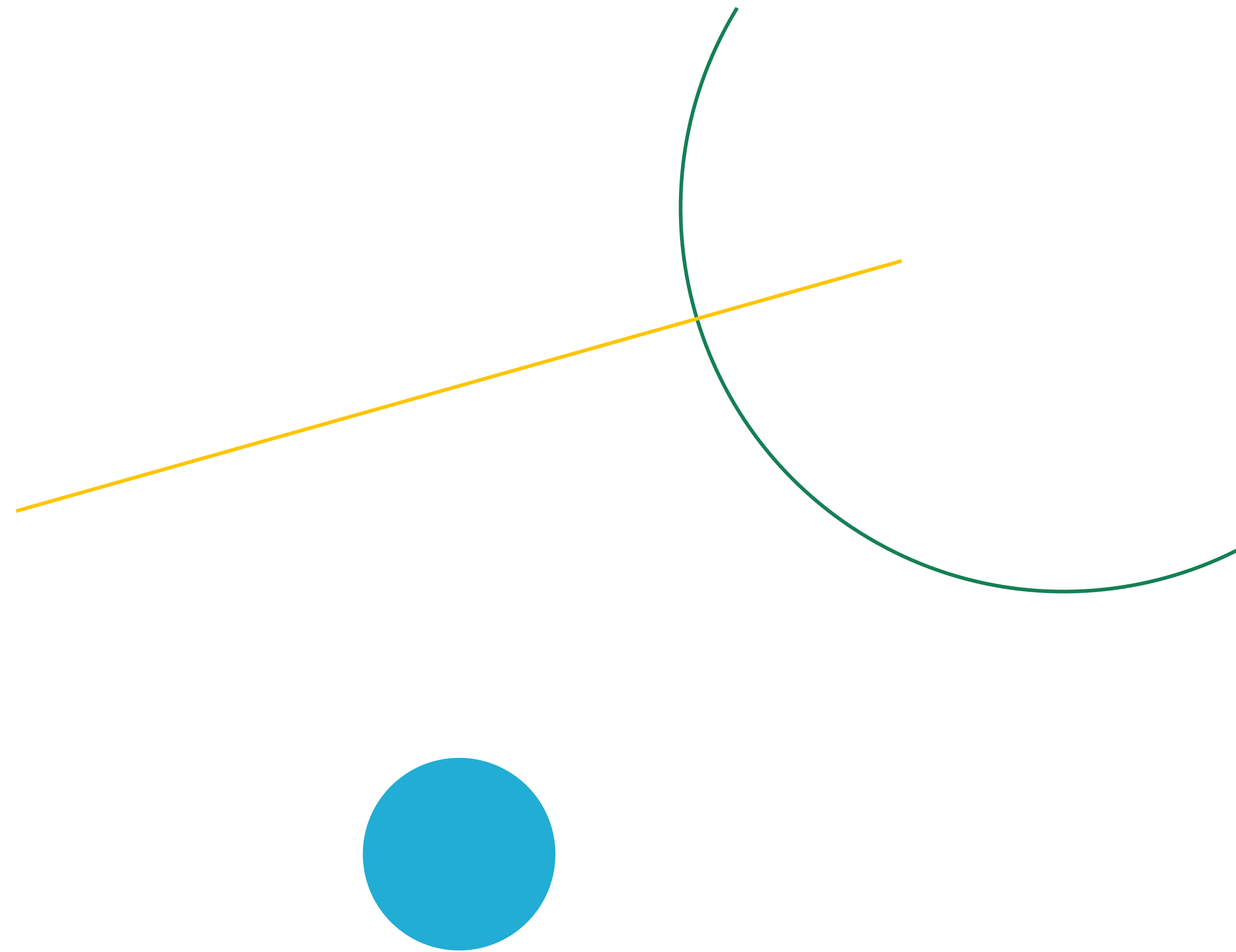




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# 69%

OF CONSUMERS SAY THEY  
PREFER LAWYERS WHO CAN  
SHARE DOCUMENTS THROUGH  
A DOCUMENT-SHARING WEB  
PAGE, APP, OR ONLINE PORTAL.



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# 52%

OF CONSUMERS SAY  
THEY'VE USED MORE TYPES  
OF TECHNOLOGY THAN  
THEY DID BEFORE THE  
CORONAVIRUS PANDEMIC.



---

# 23%

OF CANADIANS 65 AND  
OLDER SAY THEY'VE USED  
VIDEO CALLING ON THEIR  
SMARTPHONES, TWICE AS  
MANY AS 2019.

**The Ontario Superior  
Court of Justice used  
zoom for the first time in  
June of 2020**



**Legal  
professionals  
are turning to  
technology to  
manage their  
practice**

---

# 85%

OF LEGAL PROFESSIONALS  
RELY ON DIGITAL SOLUTIONS  
TO MANAGE THEIR  
PRACTICE.



---

# 79%

OF LEGAL PROFESSIONALS  
RELY ON THE CLOUD TO  
STORE FIRM DATA.

---

# 83%

OF LEGAL PROFESSIONALS  
ARE MEETING WITH  
CLIENTS VIRTUALLY.



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# 76%

OF LEGAL PROFESSIONALS  
BELIEVE THE MAJORITY OF  
LEGAL SERVICES CAN BE  
STREAMLINED WHEN  
CONDUCTED VIRTUALLY.

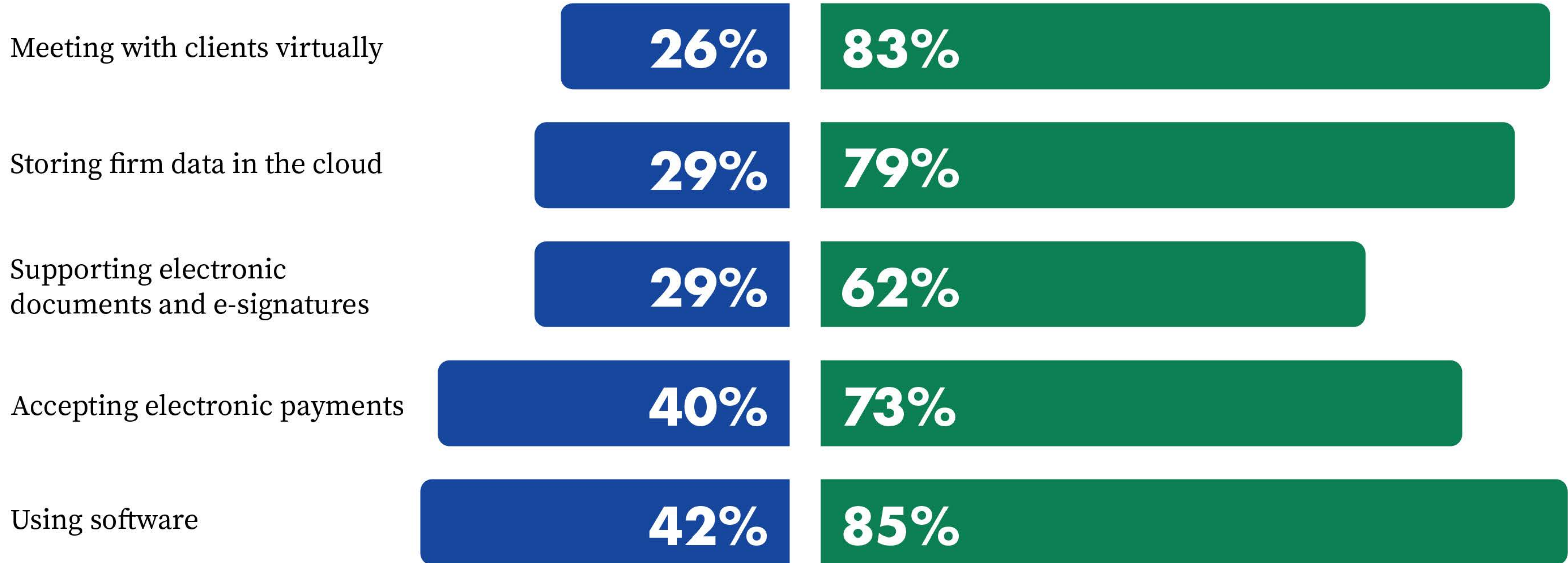
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# 66%

OF LEGAL PROFESSIONALS  
FEEL FIRM OPERATIONS  
WILL BE IMPACTED  
BEYOND THE PANDEMIC

# Perception of lawyers versus reality

- Perception of lawyers (from consumers)
- Reality (according to lawyers)





**Clients are looking for  
alternative billing and  
payment models**

“

In 2018, 39% of Americans  
didn't have funds available to pay  
for a \$400 emergency expense.

FEDERAL RESERVE | STUDY ON ECONOMIC WELLBEING IN THE US

“

In 2019, 54% of Canadians are  
living pay cheque to pay cheque.

BDO CANADA AFFORDABILITY INDEX



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# 78%

OF CONSUMERS SAY  
LAWYERS SHOULD ADOPT  
PRICING AND/OR PAYMENT  
MODELS THAT WILL MAKE  
LEGAL SERVICES MORE  
AFFORDABLE.

---

# 61%

OF CONSUMERS  
SURVEYED SAID THEY  
WOULD NOT BE ABLE TO  
AFFORD A LEGAL PROBLEM

# Part 1: Wrap-Up





# Cloud-Driven Marginal Gains Add Up

The combined gains from  
deploying all three correlated with a  
**40% improvement in revenue  
collected per lawyer.**





# Firm Success Centers on the Client





**Lawyers and clients  
converge in what they  
care about most  
(and least):**

**Client  
satisfaction is  
the top priority  
for law firms.**



**Lawyers and clients  
converge in what they  
care about most  
(and least):**

**Recommendations  
and reviews are  
a top priority for  
lawyers and clients.**

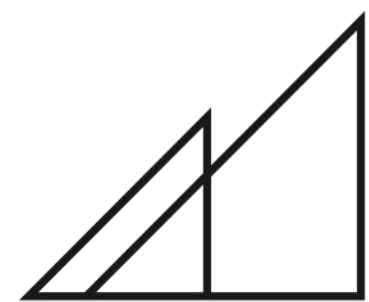




**Lawyers and clients  
converge in what they  
care about most  
(and least):**

**Flexible payments  
structures are  
critical to clients  
(61% said they  
couldn't afford  
legal help in 2020).**





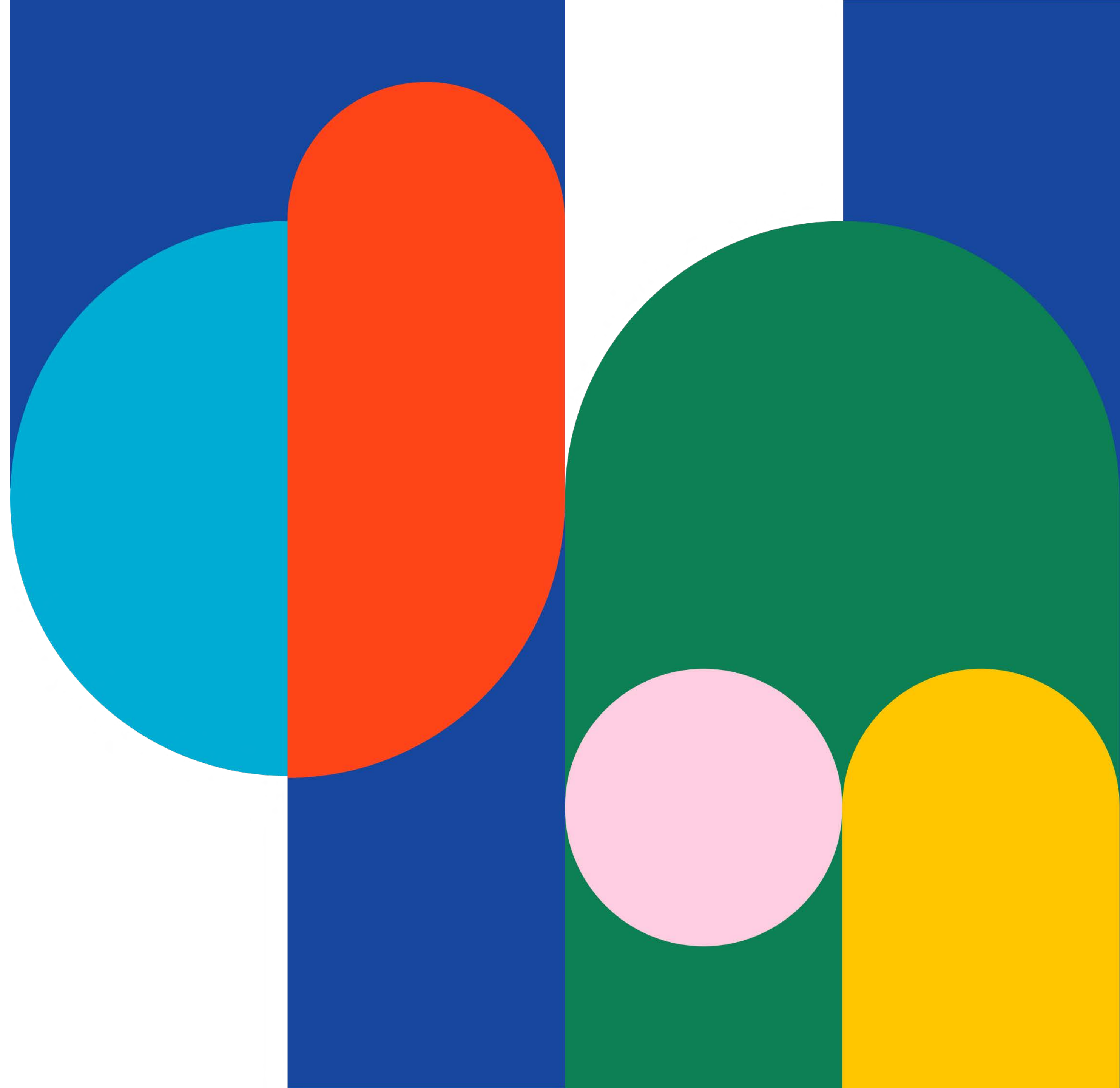
## **LEGAL TRENDS REPORT**

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# **Part 2:**

# **Transforming**

# **Insights to Action**





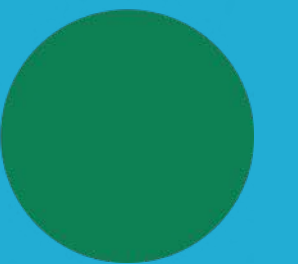
**Let's get  
practical.**

# Contents: Part 2

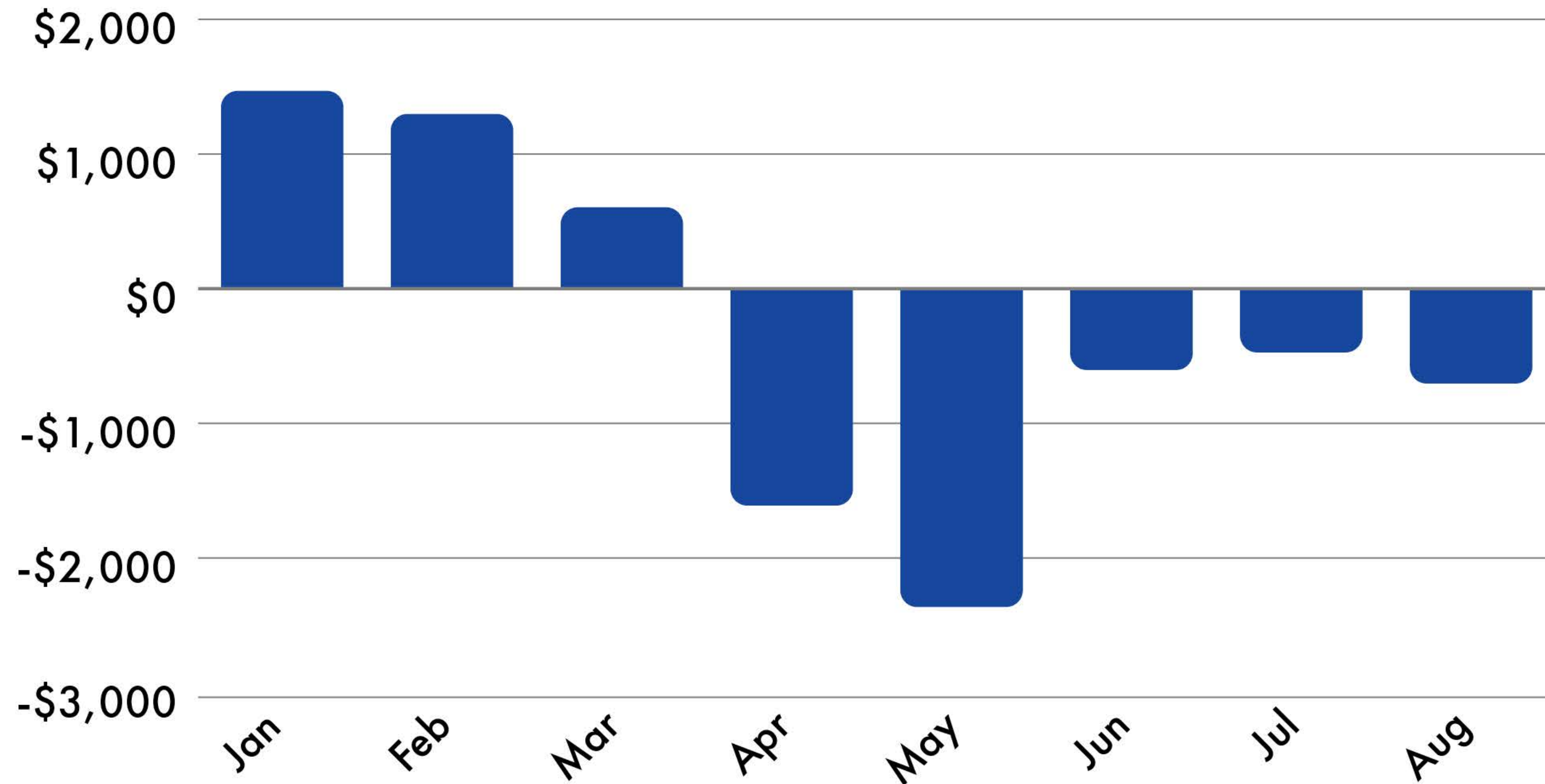
- 1 Designing client experiences
- 2 Crafting products that deliver those experiences
- 3 Leaning into change to build a better normal



# Step 1: Designing Client Experiences

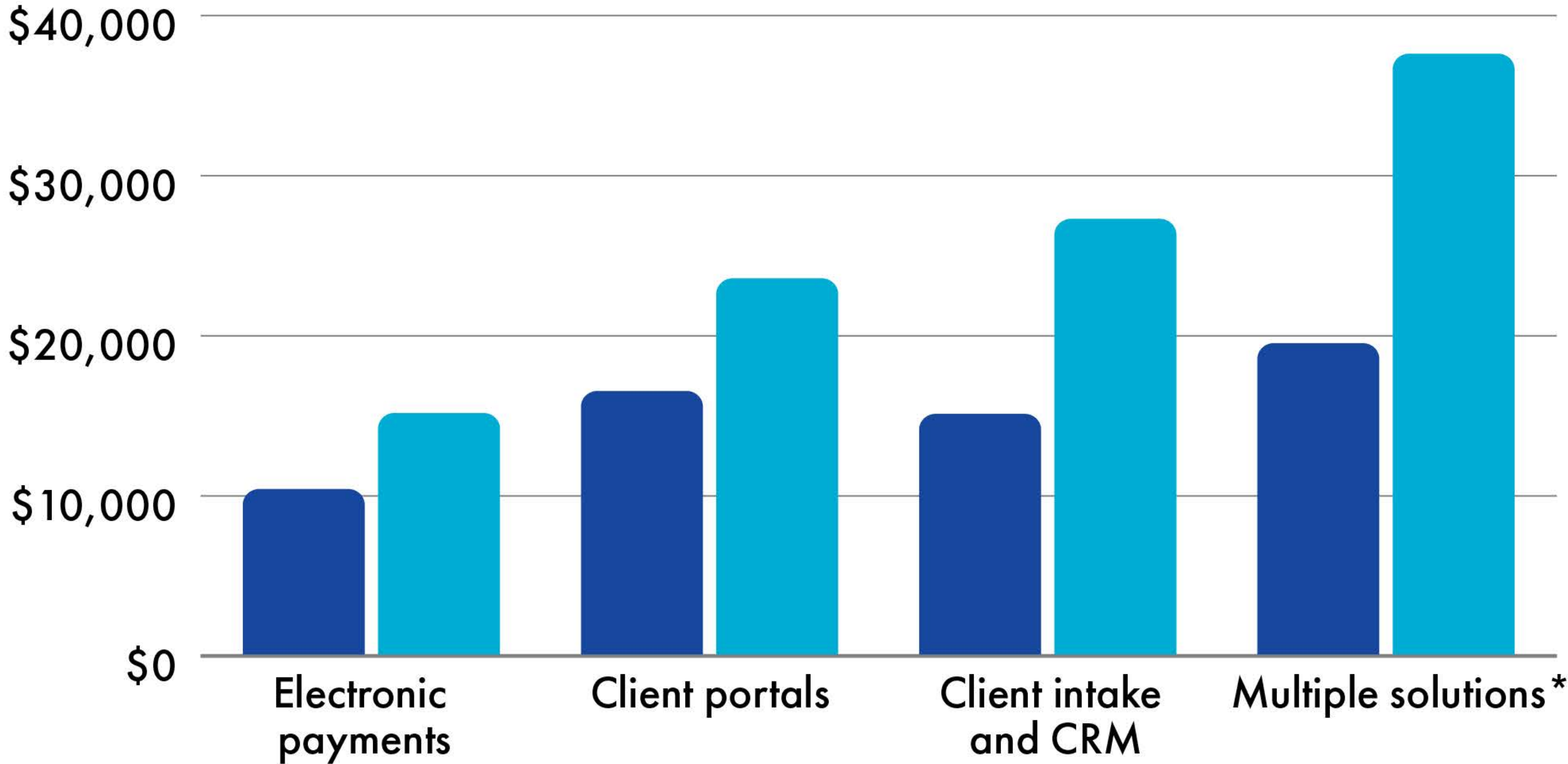


# Year-over-year difference in revenue per lawyer



Revenue advantages to using technology solutions (per lawyer)\*

● 2019  
● 2020 (Projected)



\* Electronic payments, client portals, and client intake and CRM



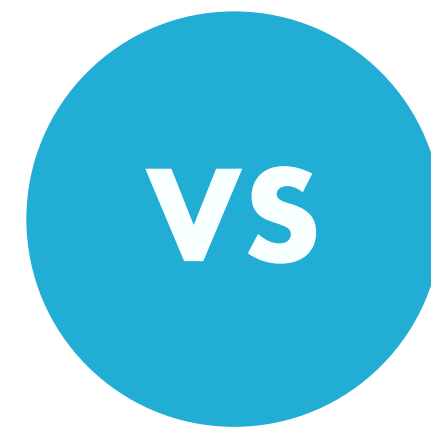
# Ideal Customer Profile (ICP)

What are the attributes of the best clients you've had?  
Take the time to enumerate them, but also to identify which clients **could** be and represent adjacent opportunities.



# 33%

of consumers believed  
lawyers had stopped  
offering their services  
through April and May.

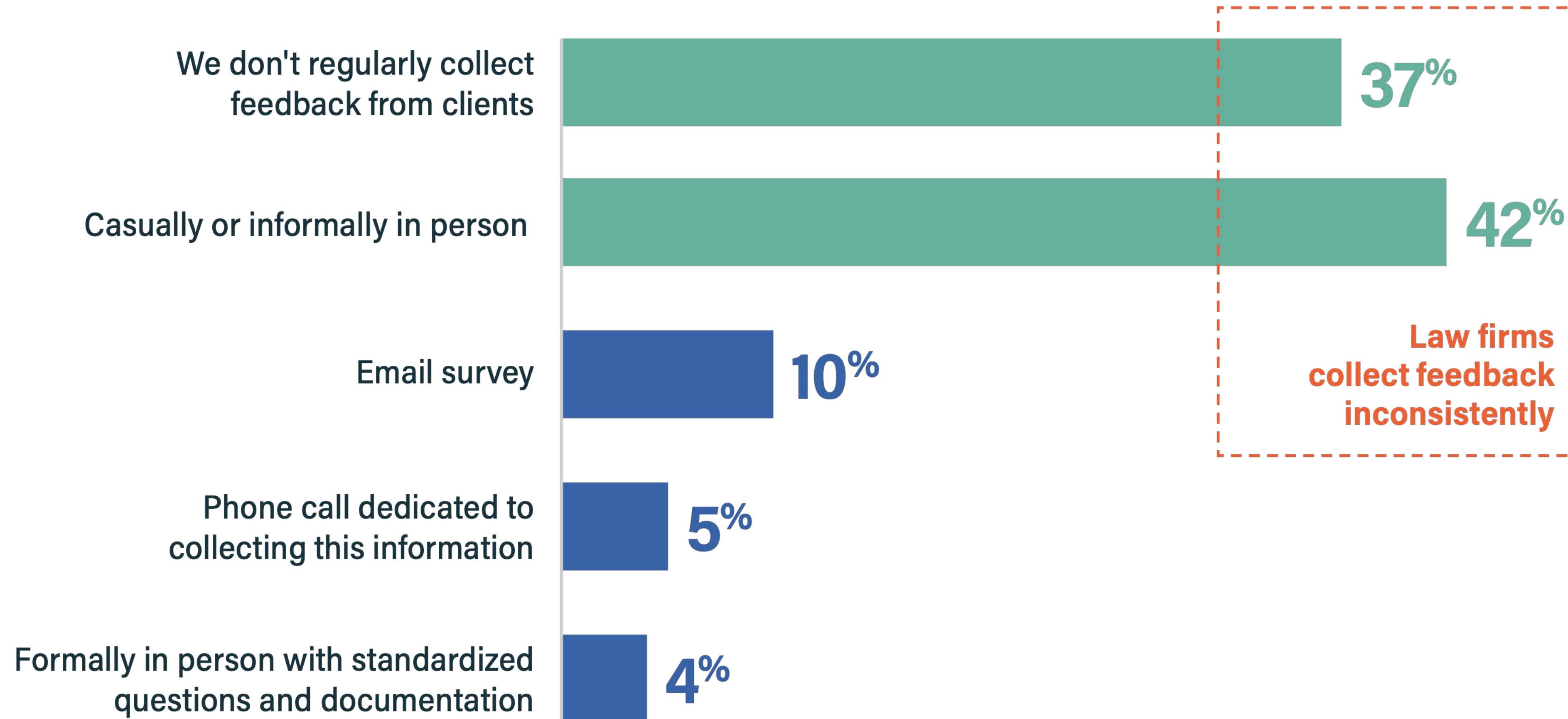


# 2%

of firms had stopped  
offering their services.



# How do law firms collect client feedback?





Design a process map  
(or flow chart)

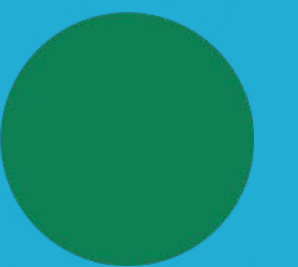
Identify touchpoints,  
interactions and milestones

Articulate Service  
Level Agreements (SLAs)  
and communicate them to clients

Implement cloud-based or hybrid  
experiences at the contact points

# Step 2:

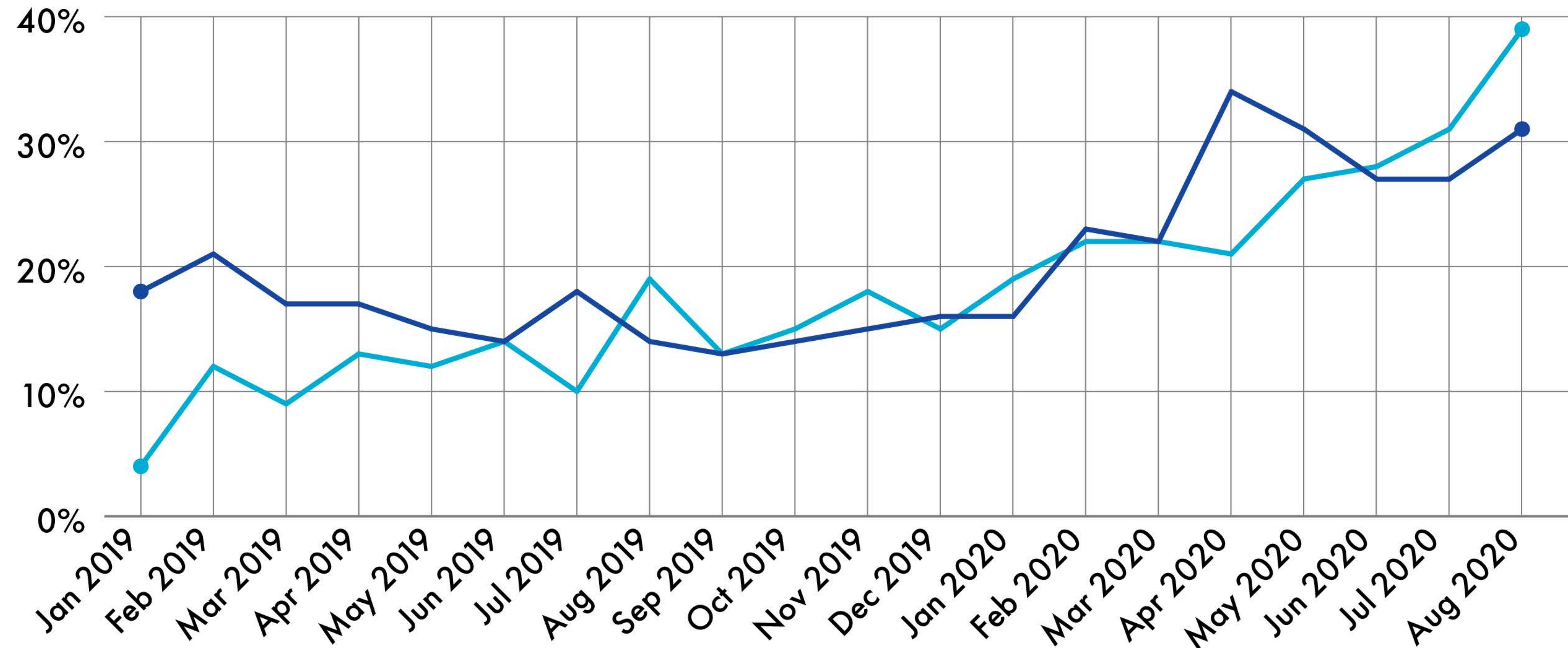
## Crafting Products that Deliver Experiences



# Advantages to using multiple technologies

\*Electronic payments, client portals, and client intake and CRM

- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)





# 4 “Ps” of Marketing

Product

Price

Place

Promotion

# 4 “Ps” of Marketing

**Product**

**Price**

Place

Promotion

“

In 2018, 39% of Americans  
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for a \$400 emergency expense.

FEDERAL RESERVE | STUDY ON ECONOMIC WELLBEING IN THE US



---

# 61%


OF CONSUMERS  
SURVEYED SAID THEY  
WOULD NOT BE ABLE TO  
AFFORD A LEGAL PROBLEM

---

# 72%

OF CONSUMERS SAY THEY  
WANT TO PAY THEIR LEGAL  
FEES ON SOME SORT OF  
PAYMENT PLAN.

# Live Example



**hello divorce.**

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[Divorce Planning](#) | [Process](#) | [Kids](#) | [Spouse](#) | [Property & Debt](#) | [Fees](#) | [Lifestyle](#) | [Blog](#) | [Press](#)

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## Membership Options

serving California & Colorado

No court battles, lawyers or hidden fees *Better Value!*

Installment ☐ One Payment *←*

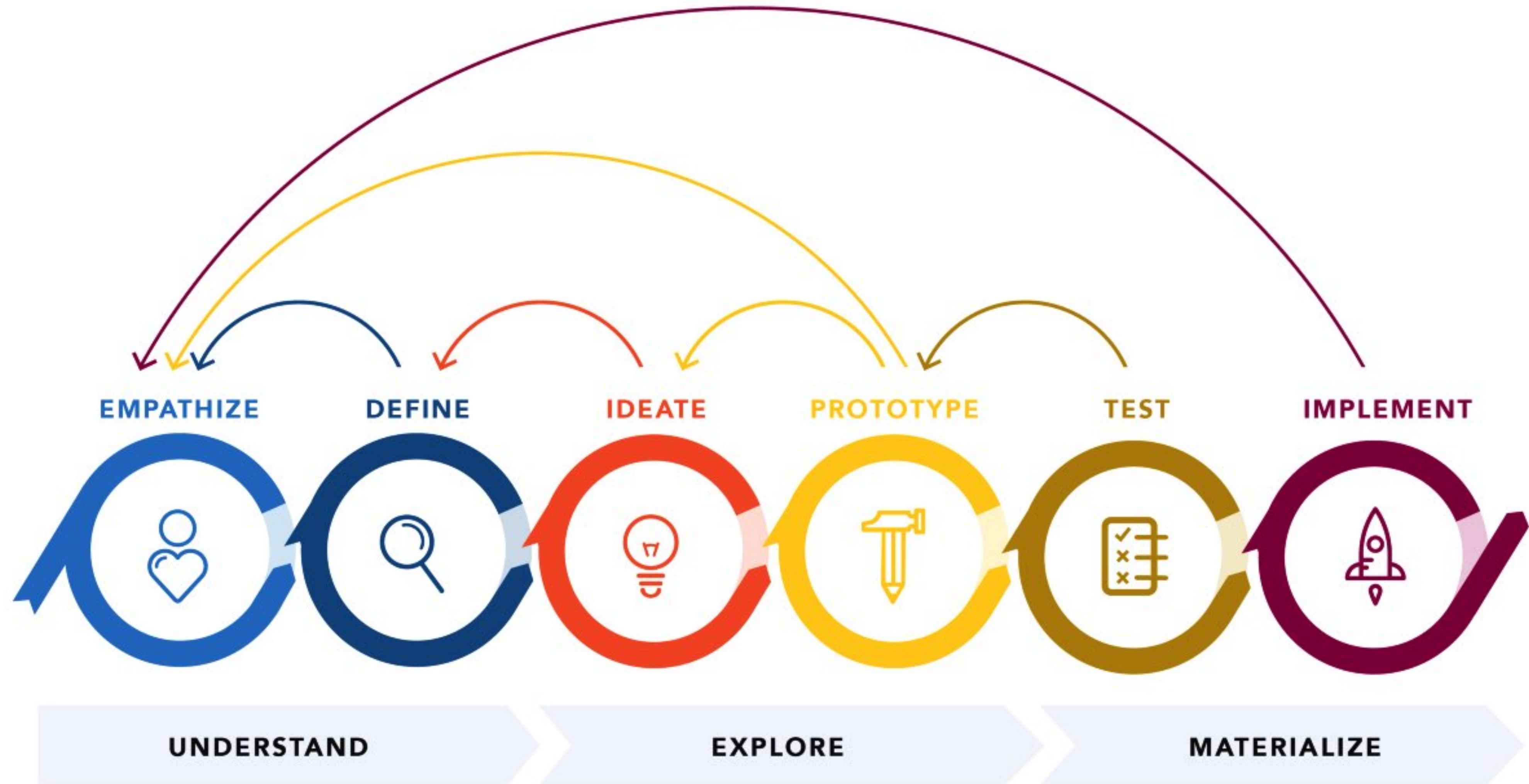
Get a 7 day trial of the DIY and DIY Pro plans with coupon code 7DAYSFREE

DIY DIVORCE	DIY PRO	DIVORCE PLUS	DIVORCE WITH BENEFITS
			
<b>\$99</b> / month	<b>\$199</b> / month	<b>\$500</b> / month	<b>\$700</b> / month
No one time payment	No one time payment	For 6 months	For 5 months









**DESIGN THINKING 101** [NNGROUP.COM](https://nngroup.com)



# CLIENT JOURNEY EXPERIMENT

Pick a segment of your client's journey and design an "experiment" that might improve it — even by just a little bit. REMEMBER, experiments are meant to be smaller than pilots, way smaller than projects and should be **simple, fast, easy, and cheap!**

**WE BELIEVE THAT IF WE DO** (describe what you propose to try):

**THE CUSTOMER JOURNEY STAGE:**

**TIMING** (when and for how long):

**WE THINK THESE PEOPLE/GROUPS WILL BE SERVED BECAUSE** (share what will happen):

**Our Clients** will benefit because: \_\_\_\_\_

\_\_\_\_\_ will benefit because: \_\_\_\_\_

\_\_\_\_\_ will benefit because: \_\_\_\_\_

**A LESSON WE HOPE TO LEARN FROM THIS EXPERIMENT IS:**

**THE TEAM FOR THIS EXPERIMENT INCLUDES** (and what they'll do):

\_\_\_\_\_ is leading it.

\_\_\_\_\_ is helping them do it.

\_\_\_\_\_ is advocating for it.

\_\_\_\_\_ is tracking/measuring it.

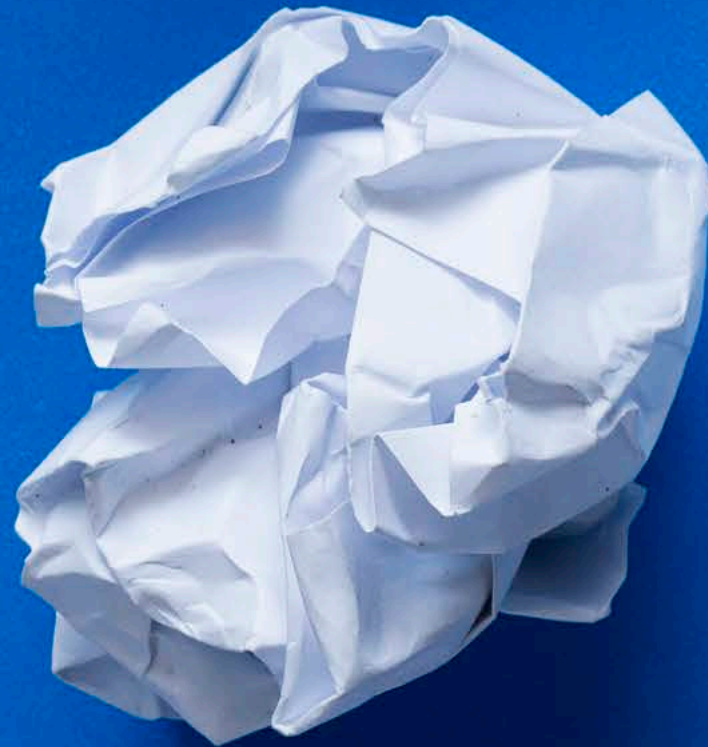
\_\_\_\_\_ is paying for it.

**A PICTURE OR SKETCH CAN GO HERE** (if you like to draw):



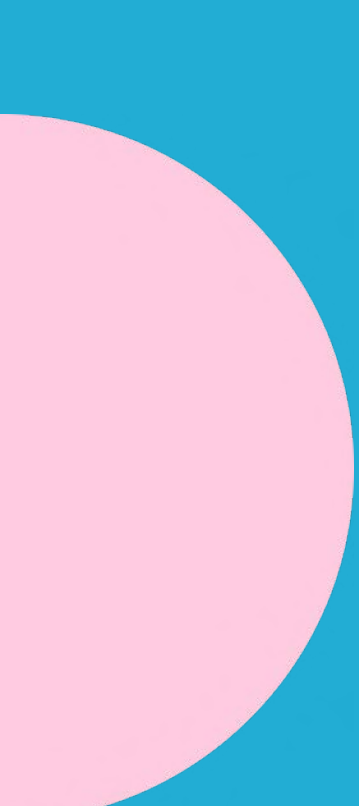
**THE FIRST SUPER-SMALL THING WE'LL START WITH IS ...**

**THE NAME OF THE EXPERIMENT IS** (give it a super cool name):









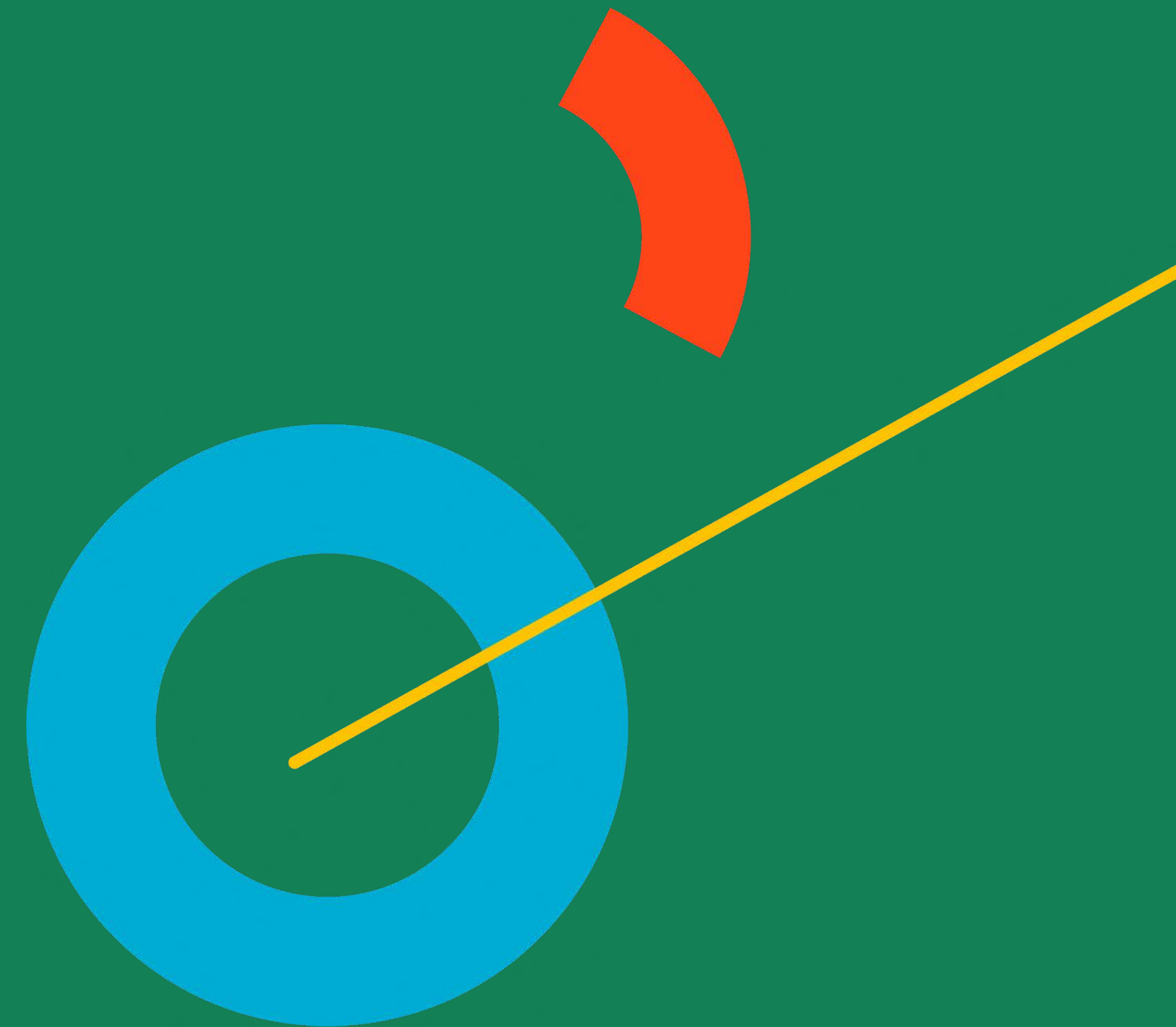
# Step 3:

## Leaning into change to build a better normal

# “ Culture eats strategy for breakfast

**PETER DRUCKER**

FOUNDER OF MODERN MANAGEMENT SCIENCE





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# 76%

OF LEGAL PROFESSIONALS  
BELIEVE THE MAJORITY OF  
LEGAL SERVICES CAN BE  
STREAMLINED WHEN  
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# 58%

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# Legal Trends Report

POWERED BY CLIO

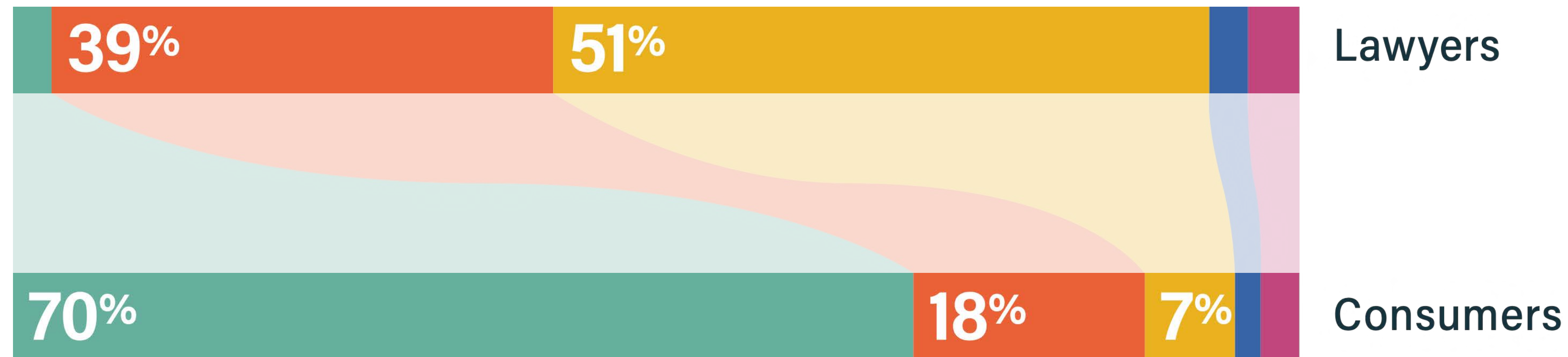
## 2018





# Perception versus reality

Telling a lawyer all the facts or details of a situation



Communication by type:

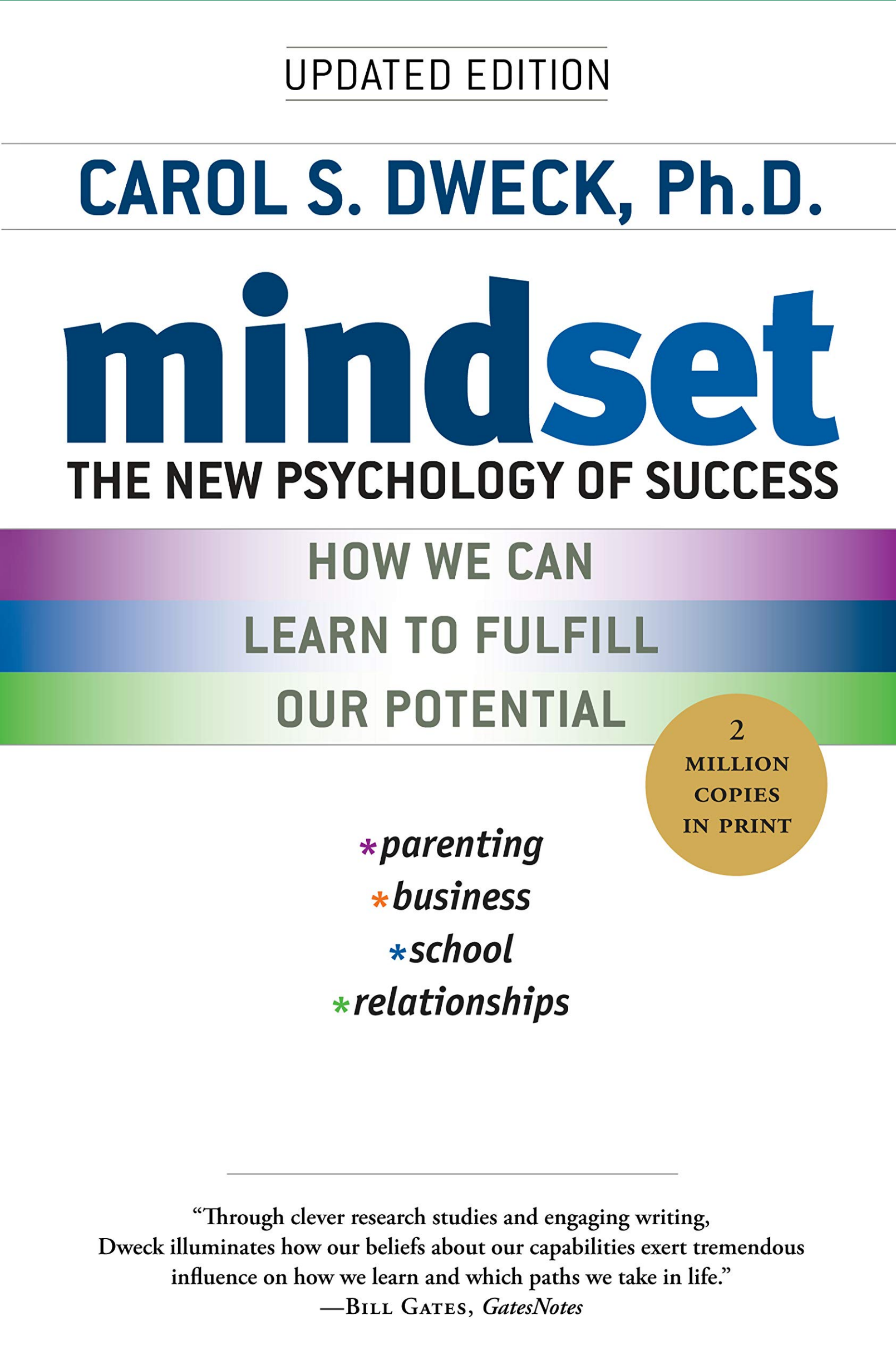
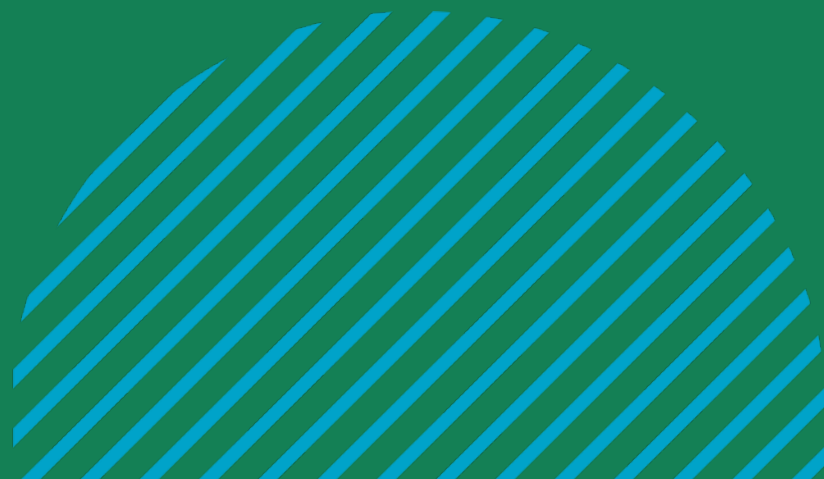
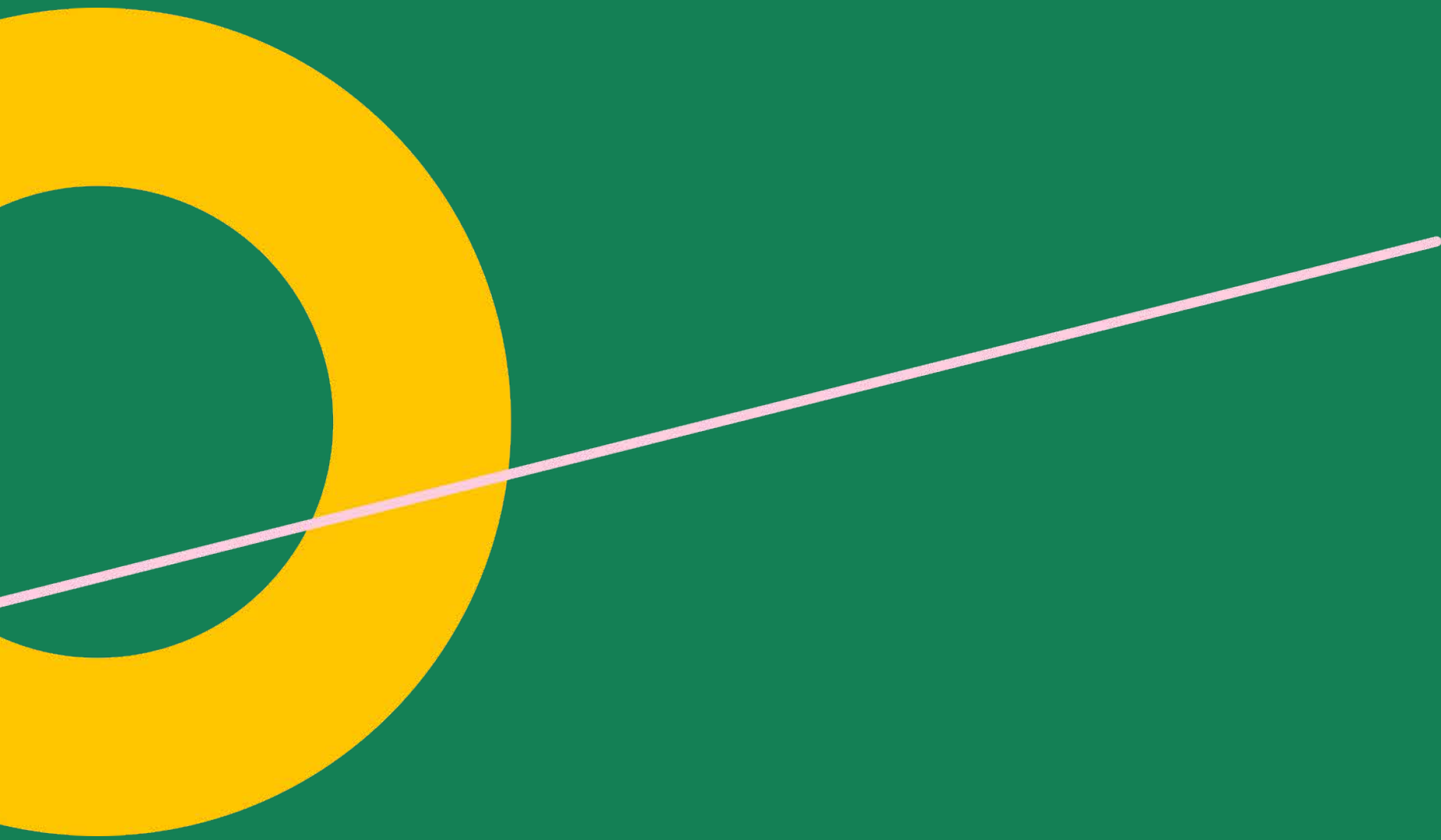
■ In person ■ Phone ■ Email ■ Website or online portal/app ■ Other













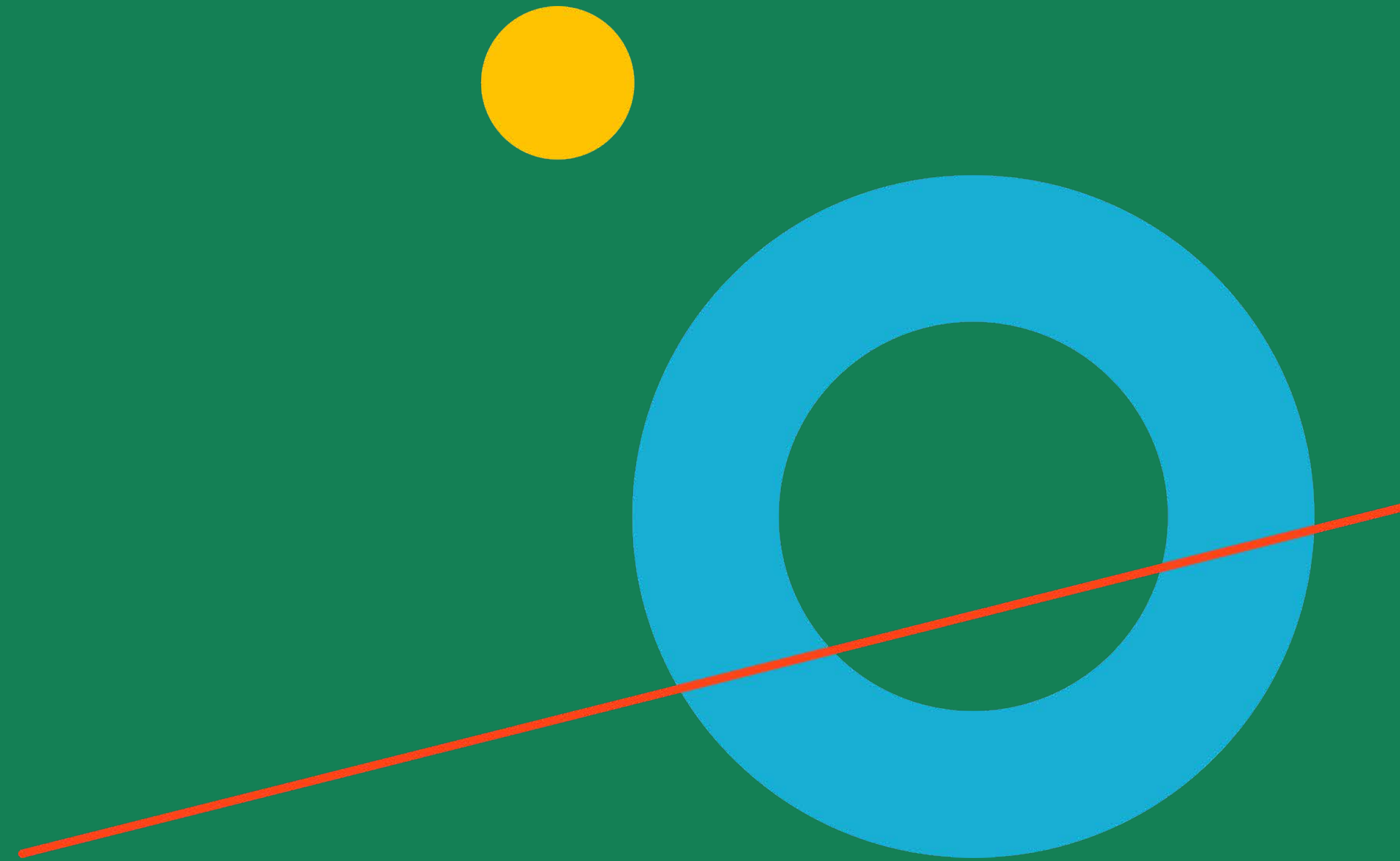
## **GROWTH MINDSET Is Freedom**

Persevere in the face of failures  
Effort is required to build new skills  
Find inspiration in others success  
Embrace challenges  
Accept criticism  
Desire to learn  
Build abilities

## **FIXED MINDSET Is Limiting**

Avoid challenges  
Give Up  
Threatened by others success  
Desire to look smart  
Effort is fruitless  
Ignore feedback  
Fixed abilities

**This is  
not a  
zero-sum  
game.**





A large iceberg floats in a deep blue ocean under a bright blue sky with scattered white clouds. The visible tip of the iceberg is small and jagged, while the much larger submerged portion is visible below the water line, illustrating the concept of hidden legal problems.

**77% of legal problems didn't  
receive legal assistance**

*Source: World Justice Project*



**Let's  
build a  
better  
normal.**

