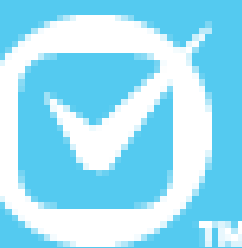


# Legal Trends Update 2019

Using Data to Shape the Future of Legal in Canada



TM



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# Today's Agenda

- **Introduction to Clio and the Legal Trends Report**
- **Why is the Legal Trends Report important?**
- **Key Insights from 2019**
- **The role of Law Societies in shaping the future of legal tech in Canada**
- **Q&A**





Transforming the practice of Law for good.

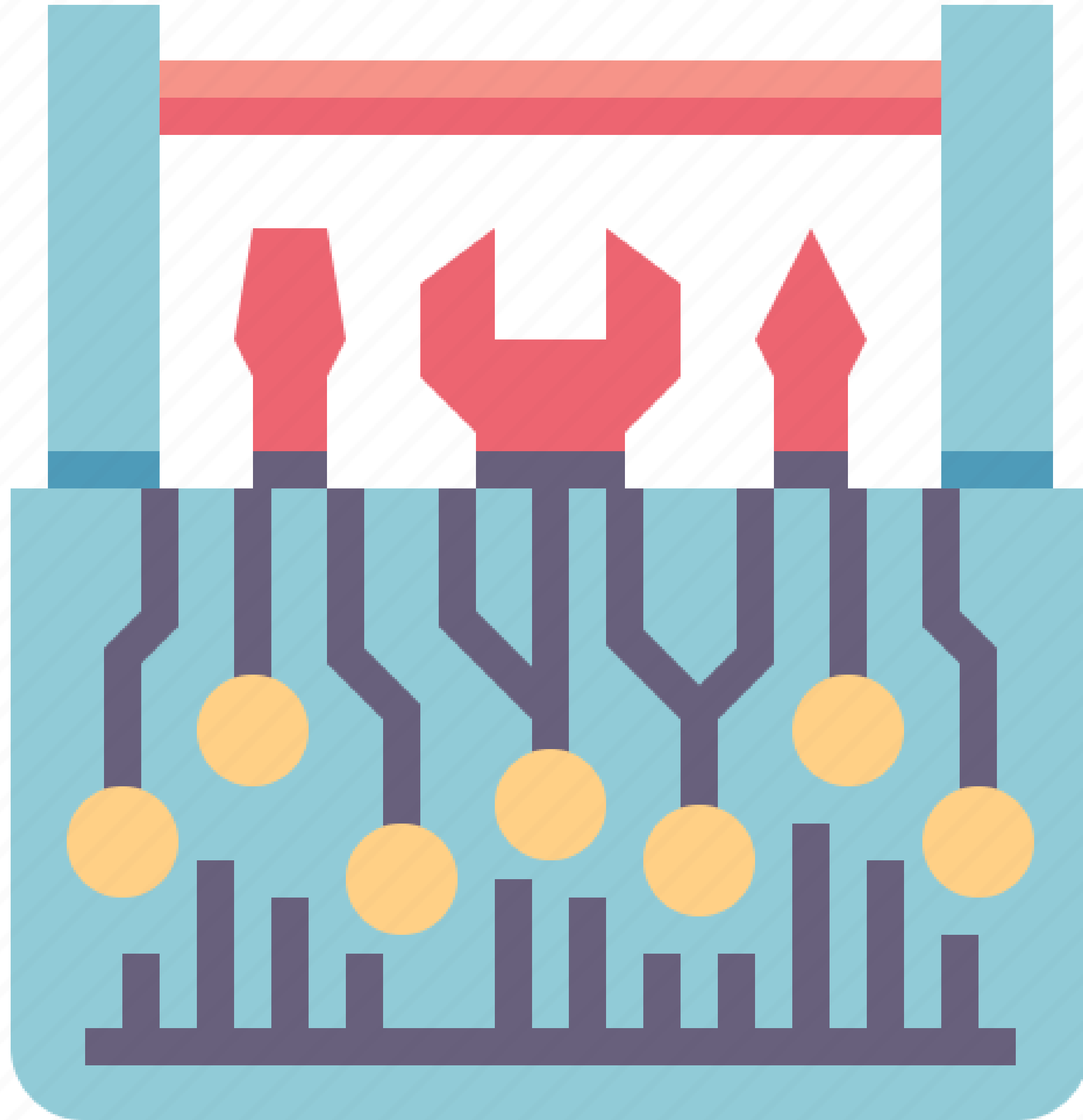


# The Legal Trends Report

Why do we do it?











# Automated legal services





blue J  
L E G A L





# The Legal Trends Report



# Data sources included in the Legal Trends Report

## Clio data

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

## Law firm survey

We surveyed 1,968 legal professionals, representing both Clio users and non-Clio users.

## Consumer survey

We surveyed 1,336 consumers who have either dealt with a legal problem or hired a lawyer in the past 2 years.



# Legal Trends Report

2016

Powered by Clio

# Legal Trends Report

2017

# Legal Trends Report

POWERED BY CLIO

2018



# Legal Trends Report

**2019**





# Our fourth annual edition



# Key Insights





# Part I: Law firm growth study

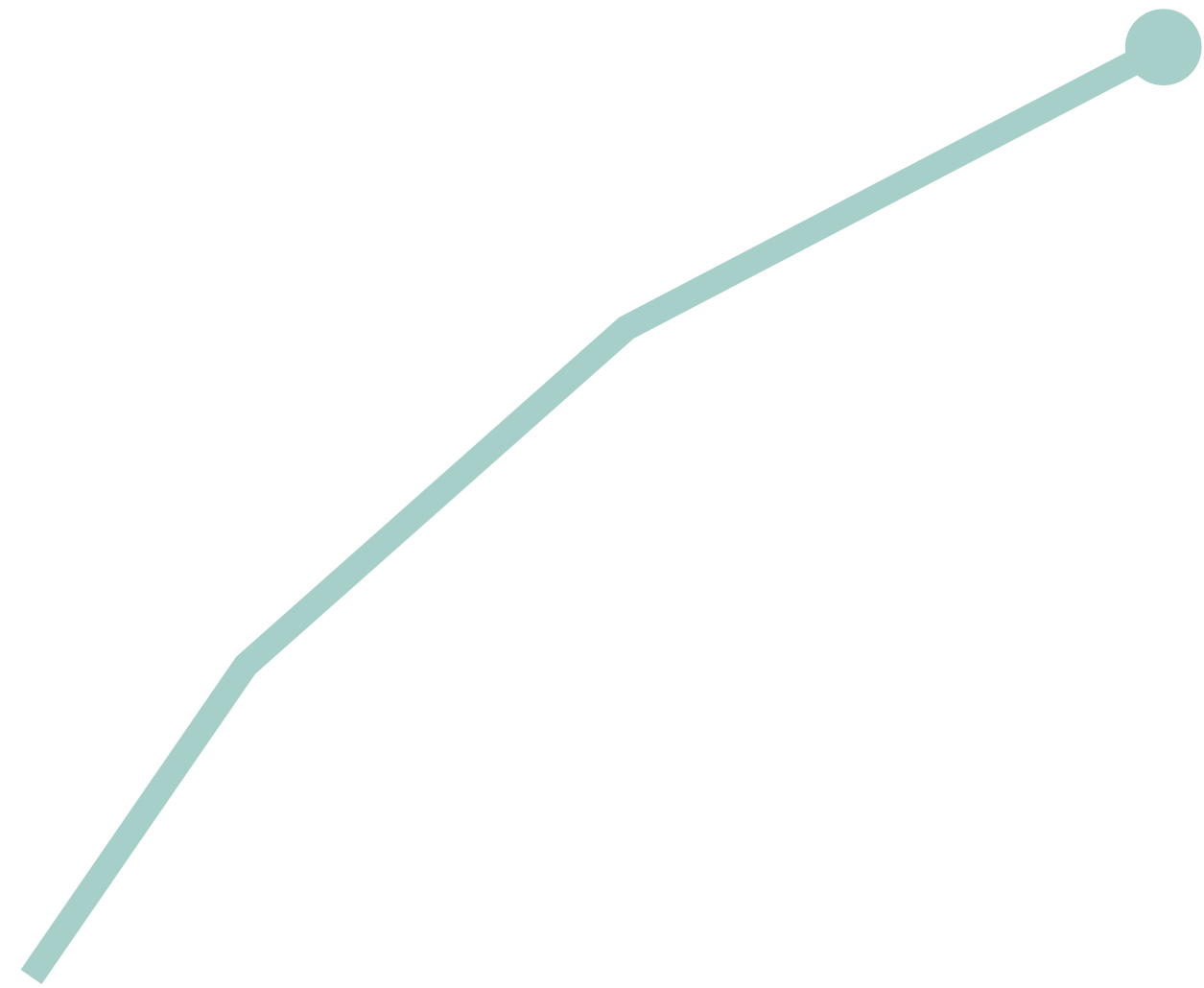
What does thriving look like?





# Law Firm Maturity Model





Growing Firms  
>20% Revenue Growth



Stable Firms  
Flat Revenue



Shrinking Firms  
>20% Revenue Decline





# Lawyers Ranking Revenue as Growth





# Factors Representative of Firm Growth





# Revenue Growth Between Firms







# Lawyer Funnel







# Utilization





**Realization**

**Collection**





# Average Hourly Rates





# Law Firm Maturity Model





# Part I: wrap-up

## Key takeaways from our study of law firm growth

1. Higher billable rates do not guarantee sustained revenue growth. In fact, the opposite is often the case.
2. The fastest-growing law firms have realization and collection rates that are stable but not perfect.
3. Incremental increases in lawyer utilization (e.g. 28% → 33% for growing firms) drive can significant impact in revenue growth.



A photograph of a road at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. In the foreground, the side of a dark-colored van is visible, with a window reflecting the surroundings. The road stretches into the distance, with a white line marking the edge. A small car is visible in the distance on the road. The sky is a mix of orange and blue. In the top left corner, there is a decorative pattern of small yellow triangles.

# Part II: Client expectations

What are the unmet needs in the market?







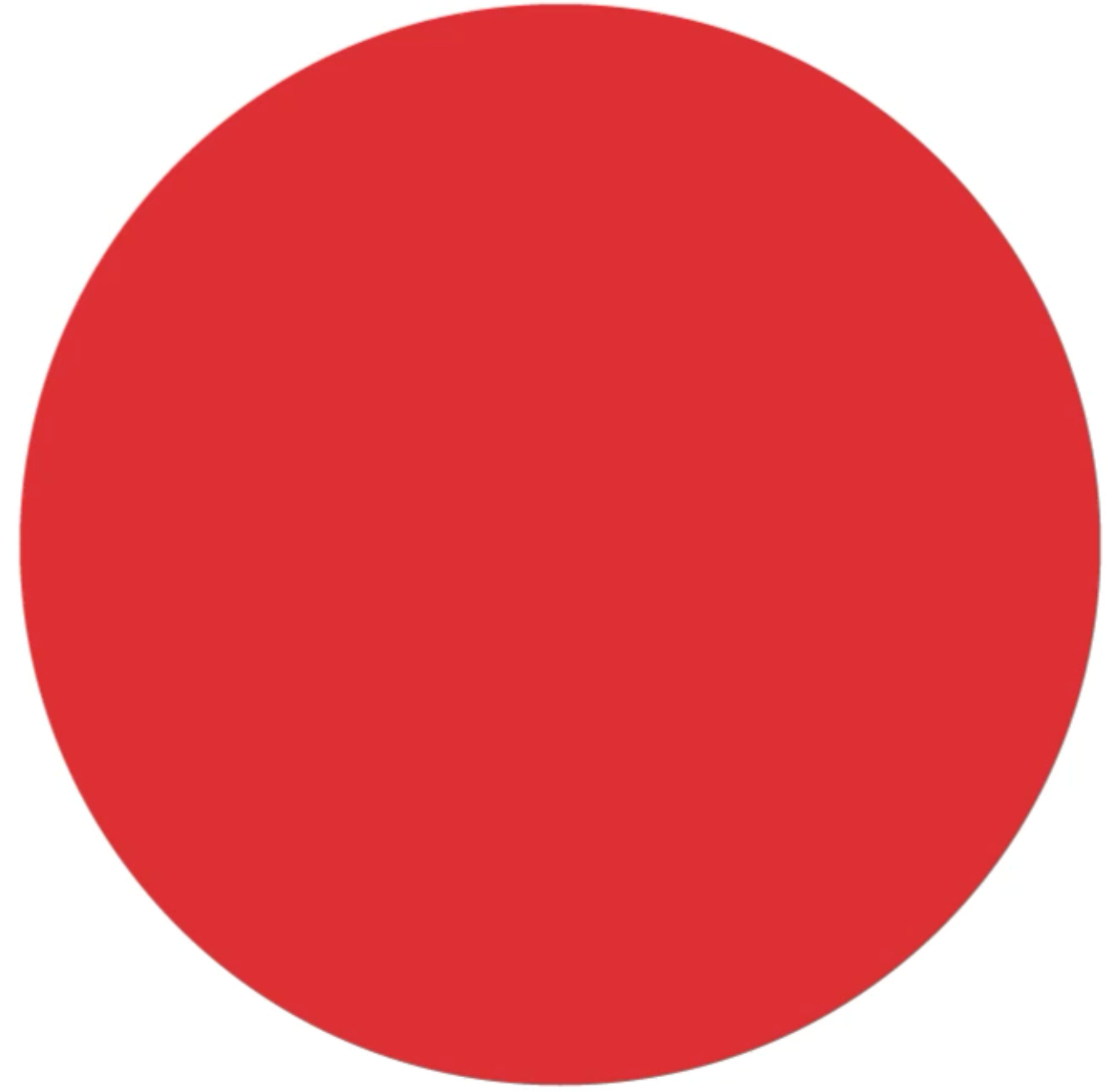
# Understanding unmet needs in the market

Insights from our survey of over 2,000 consumers:

- How do consumers shop for a lawyer?
- What do they look for and expect as they make their decision?
- Critically, where are their expectations met and where are they missed?



# How Clients Shop for a Lawyer





# How Clients Searched



# Importance to Clients



# Expected Response Time





# Overwhelmingly, consumers wanted information.

Insights from our survey of over 2,000 consumers:

- 81% want a response to each question they ask.
- 80% say it's important to have a clear understanding of how to proceed.
- 76% also want to get a clear sense of how much their legal issue could cost.
- 74% want to know what the full process will look like for their case.



How do consumers think lawyers are doing?





Not great — 64% contacted a firm that never replied.

Even for those who did receive responses, they reported the following:

- 65% didn't get any indication on what to do next.
- 64% didn't get a sense of how much their case would cost.
- 62% didn't understand the process for their case.
- 61% didn't get enough information they could understand
- 52% said the lawyer they spoke with wasn't likeable or friendly enough.







# Part II: wrap-up

## Key takeaways from our study of consumer expectations

1. Consumers seem to either get a referral or try to figure it out on their own using online search, websites and directories.
2. Consumers are overwhelmingly looking for responsiveness and information.
3. In their eyes, shopping for a lawyer currently leaves much to be desired.



A photograph of a road at sunset. In the foreground, the side of a dark-colored van is visible, with a window and a door handle. The road stretches into the distance, with a white line marking. A small car is visible in the distance. The sky is a warm orange and yellow, and there are hills in the background. In the top left corner, there is a decorative pattern of small yellow triangles.

# Part III: How Prepared are Lawyers?

How can you help your members THRIVE?





# Defining success for lawyers

Insights from our survey of over 2,500 legal professionals:

- 87% of lawyers agree they want their firms to grow over the next three years—and 67% say they want to grow more than a little.
- 76% of lawyers say they are overworked and 68% say they are under-appreciated.
- On the bright side, the majority love being a lawyer (69%) and really like working with clients (82%)



## Education and Experience

92% of lawyers are very confident in their skills as a lawyer but only 53% are confident in running the business side of their firm






**Business Areas Firm Managers Often Engage In**

[Redacted]

[Redacted]

Lawyers confident in managing the business side of their firm spend more time on long-term financial planning and marketing



- 
- 69% report having no business training at all
  - 72% say they don't know enough about running a business.
  - **7% of lawyers feel school prepared them for running a business**





23%

feel their bar association provides  
adequate business training





Grab  
Opportunity  
And  
Lead







# Evaluating Practice Management Resources

**1. Content** – Topics? Up to date? Relevant?  
Ownership?

**2. Accessibility**- Formats? Location? Easy to find?

**3. Awareness** – Do your members know it's there?



# Your Resources

- Your Peers
- Legal Tech Vendors
- Yourself



# Key Lessons



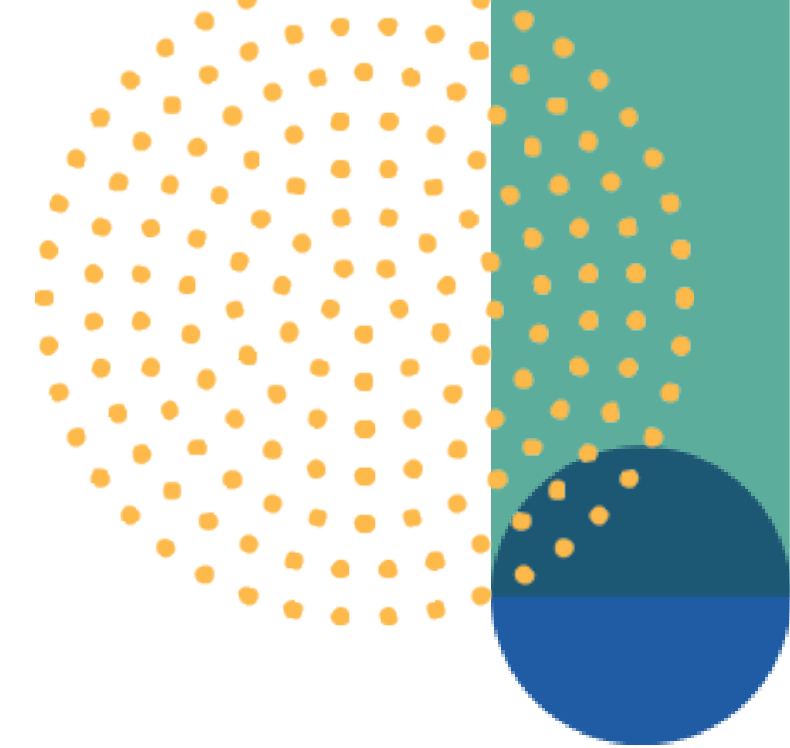
**Client experience AND firm performance impact growth**

**Lawyers need support**

**Law Societies are key to building a thriving industry**



# Questions





# Thank you!

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