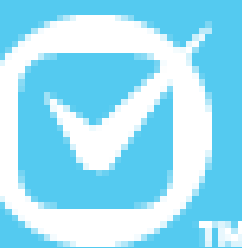


Legal Trends and Canadian Lawyers

Using Data to Shape the Future of Legal in Canada





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Today's Agenda

- Introduction to Clio and the Legal Trends Report (LTR)
- Why is the Legal Trends Report important?
- Key insights from the 2016, 2017 and 2018 LTRs
- Discuss the future of legal tech in Canada
- Q&A





Transforming the practice of Law for good.

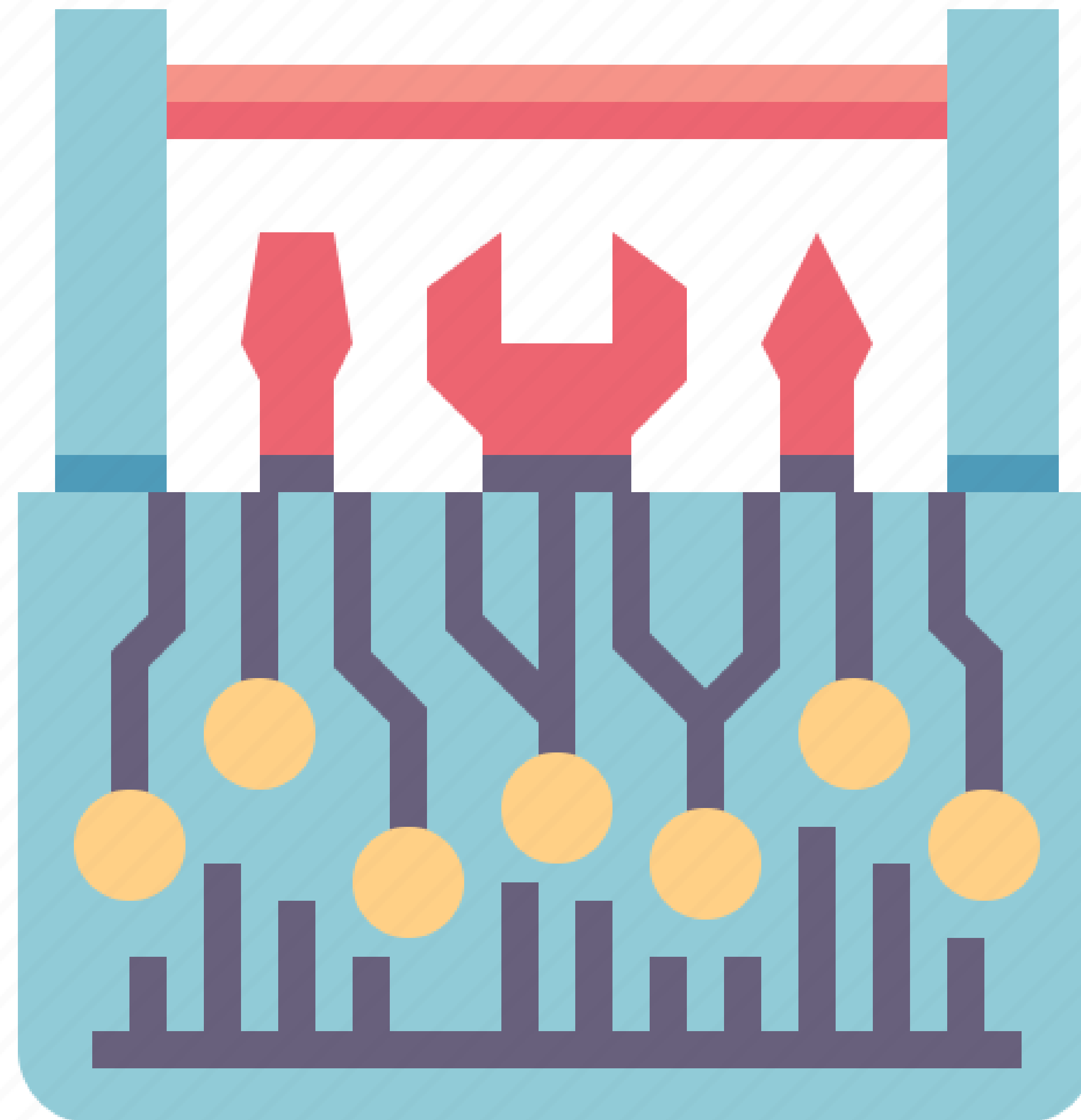


The Legal Trends Report

Why do we do it?







Automated legal services





blueJ

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



LEGAL TRENDS REPORT

POWERED BY CLIO



Law firm key performance indicators (KPIs)

Utilization rate	Realization rate	Collection rate
<div>Number of billable hours worked</div> <div>÷</div> <div>Number of hours in a day</div> <div>=</div>	<div>Number of billable hours invoiced</div> <div>÷</div> <div>Number of billable hours worked</div> <div>=</div>	<div>Number of hours collected upon</div> <div>÷</div> <div>Number of billable hours invoiced</div> <div>=</div>
30%	81%	85%



Utilization Rate

=

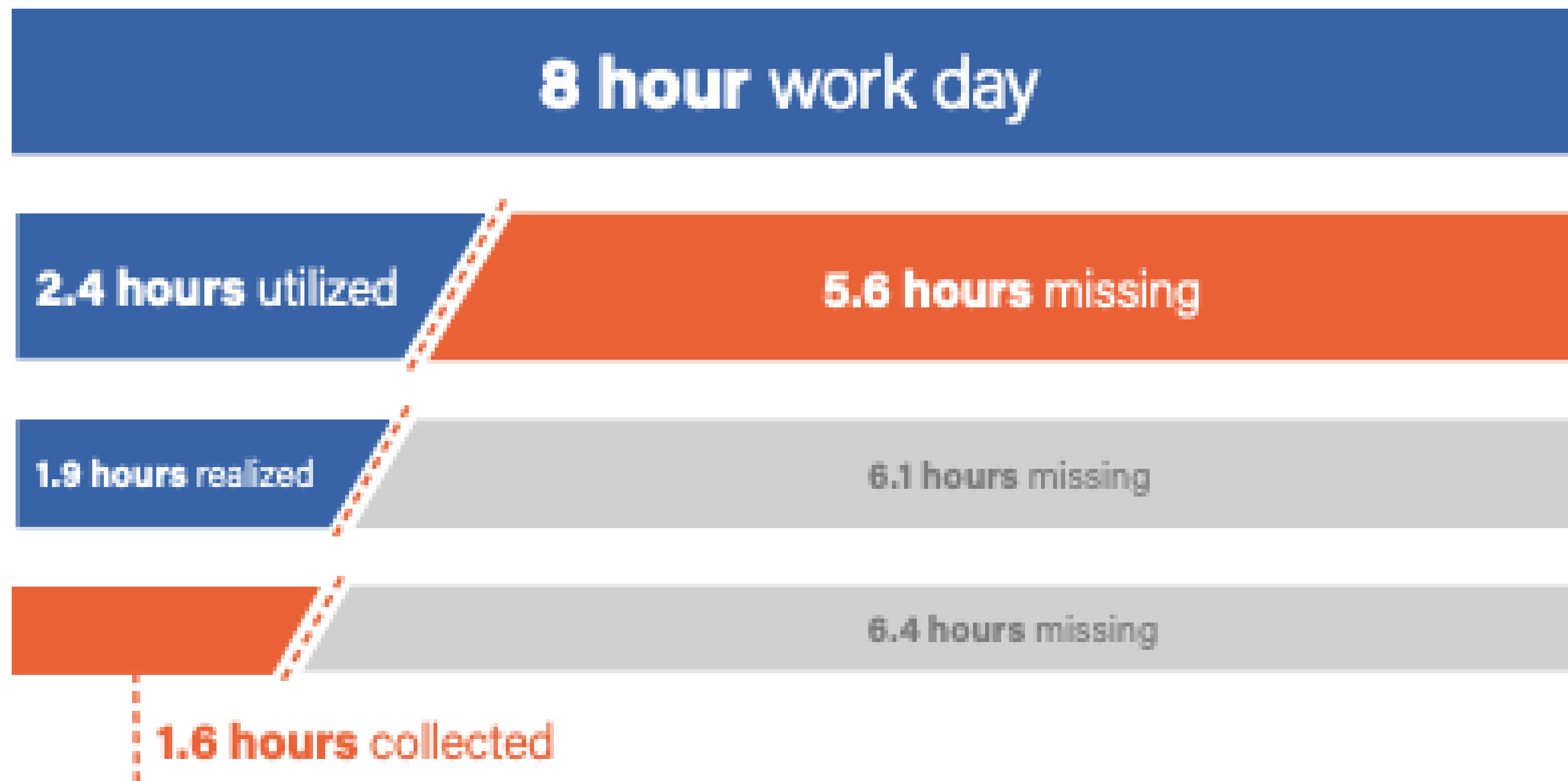
**Number of Billable
Hours Worked**

**Number of Hours in a
Day**



Utilization rate

How many hours were billable?



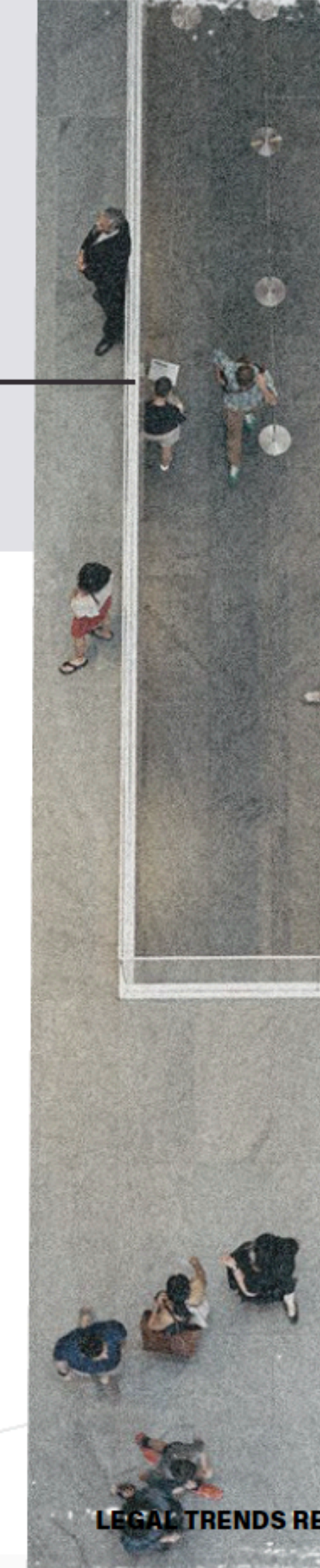
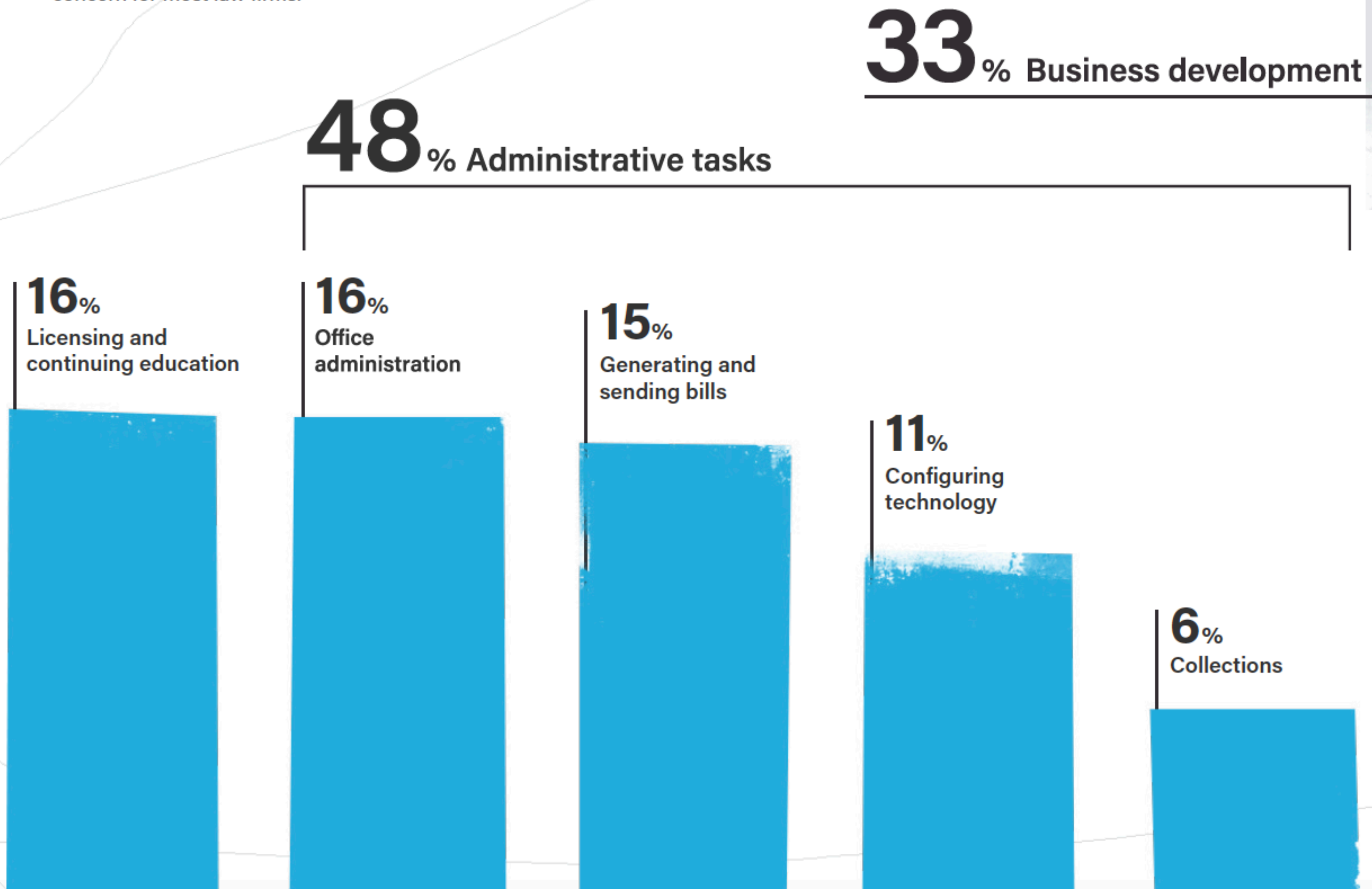
Legal Trends Report

2017

Administrative tasks and finding clients takes time

- + Office administration, generating and sending bills, configuring technology, and collections are all tasks that, combined, eat away 48% of time that could otherwise be spent on billable tasks.
- + The fact that so much non-billable time is dedicated to business development (33%) suggests earning new clients is a constant concern for most law firms.

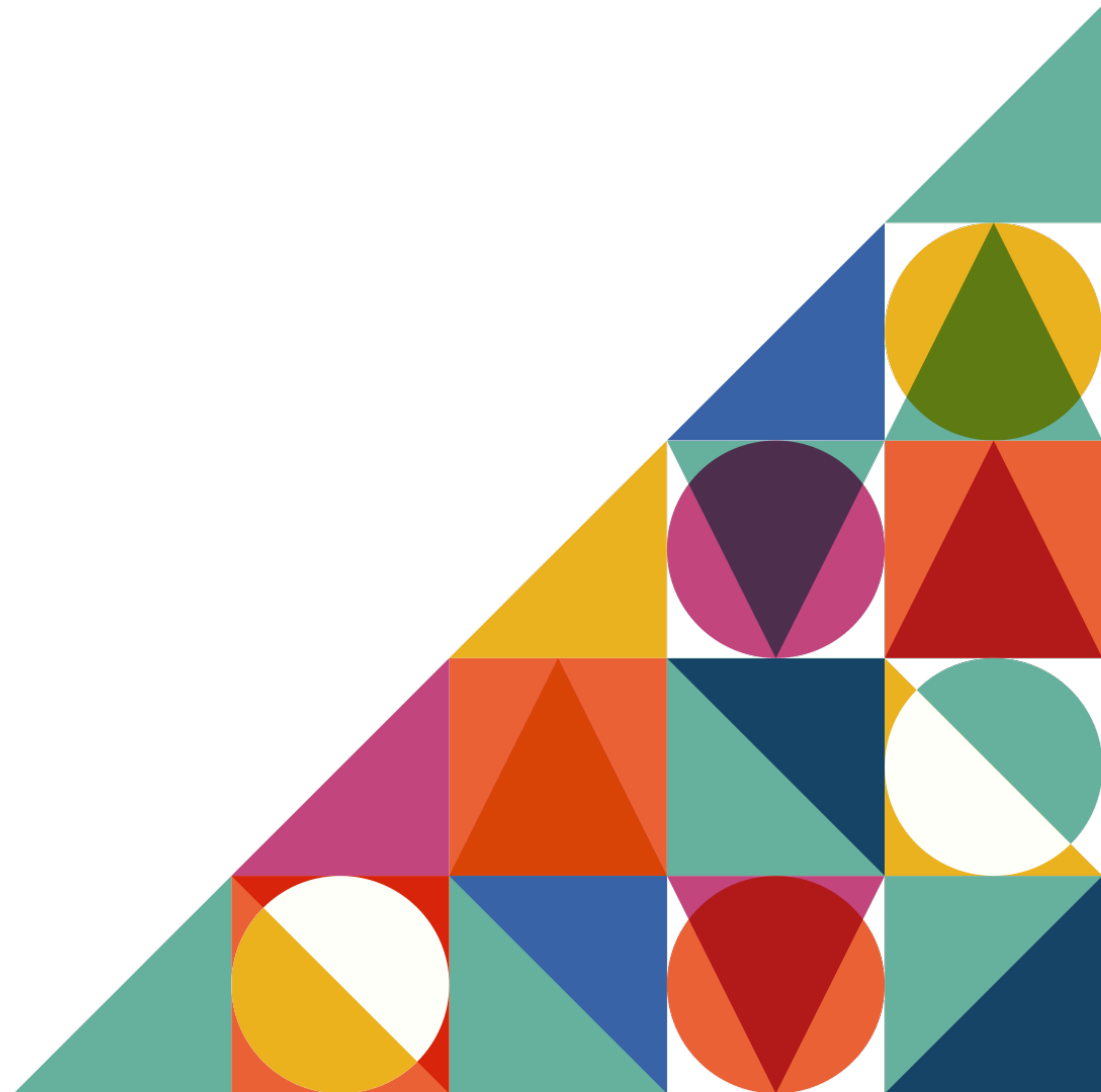
*Average percentages calculated from rounded values given by survey respondents for each category. Individual responses add up to 100%.



Legal Trends Report

POWERED BY CLIO

2018



New this year



Key Insights



How do law firms define success?



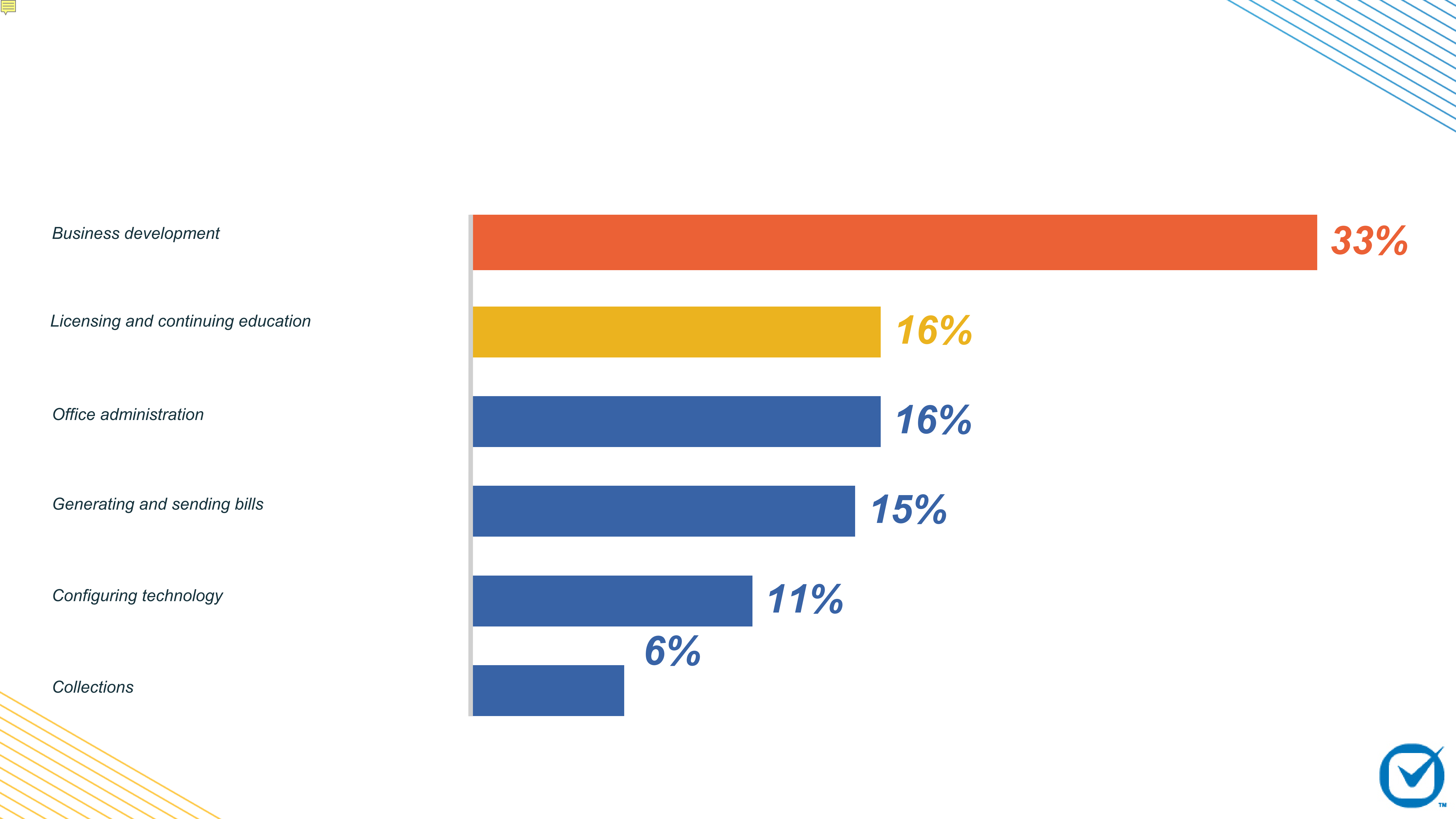
Lawyers are maxed out

Top reasons for working outside of office hours

- 77% of lawyers work outside of business hours to catch up on work
- 58% believe it's what is necessary to succeed.

	Lawyers	Non-lawyers
To catch up on work that didn't get done during business hours	77%	66%
That's what it takes for my business to succeed	58%	43%
To be available to clients	51%	39%
To meet other personal obligations during regular business hours	51%	33%
To get ahead in my firm or practice	45%	33%
I really enjoy my work	26%	29%
It's what is expected in legal	21%	9%
To take calls with parties in other time zones	16%	10%
Other	6%	9%





Business development

33%

Licensing and continuing education

16%

Office administration

16%

Generating and sending bills

15%

Configuring technology

11%

Collections

6%



The Client Experience



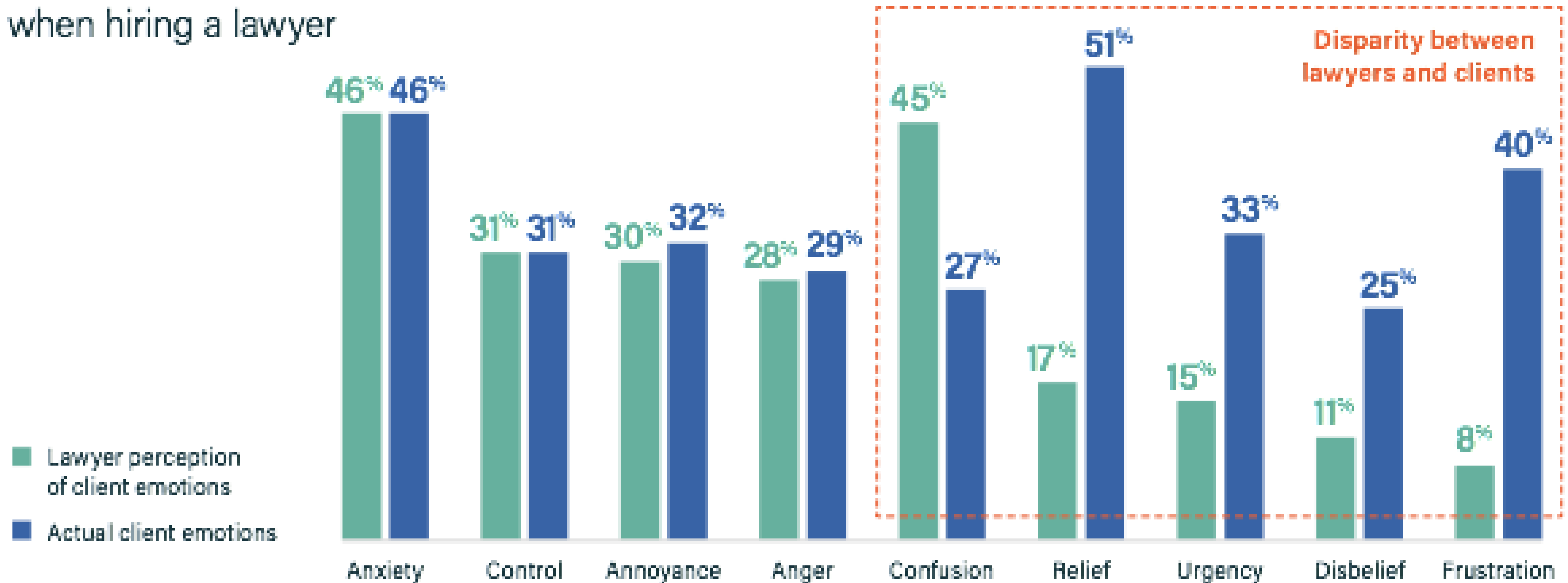
LAWYERS

CLIENTS



Client emotions versus lawyers' perceptions

Percent who see each of the following emotions as part of the client experience when hiring a lawyer



The market for legal services

59%

say they would consider using the law when faced with a legal problem.

57%

have dealt with a life issue that could have been handled legally but wasn't.



The benefits are not worth the money

35%

Although the benefits may justify the cost, it's too much money

31%

The overall/final cost isn't clear

28%

Reasons related to pricing and transparency

I like to handle my problems by myself

26%

Handling things legally is too overwhelming

17%

Handling things legally seems like too much trouble

14%

I avoid the law as much as possible

11%

I don't think I'd find a good lawyer

10%

I wouldn't know how to use the law

10%

I didn't think the outcome would be in my favor

9%

It wouldn't occur to me to seek legal help

8%

I've had a bad experience in the past trying to resolve an issue legally

6%

If you wait long enough, most problems go away on their own

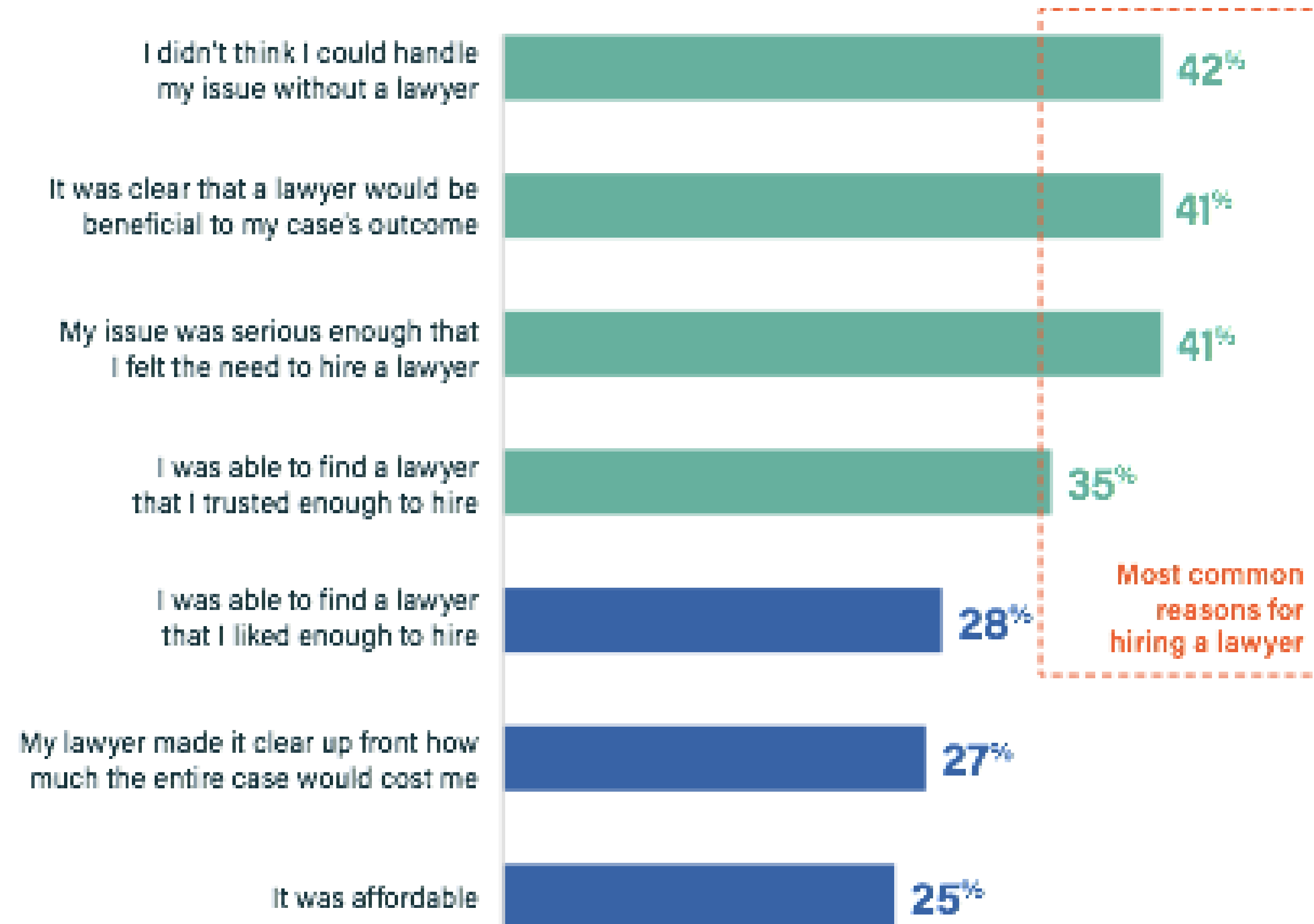
5%

Consumers are concerned about cost and value



Motivations for hiring a lawyer

Percentage of respondents who selected the following



Consumers who don't hire still inquire

65%

of those who faced a legal problem in the past 2 years hired a lawyer.

58%

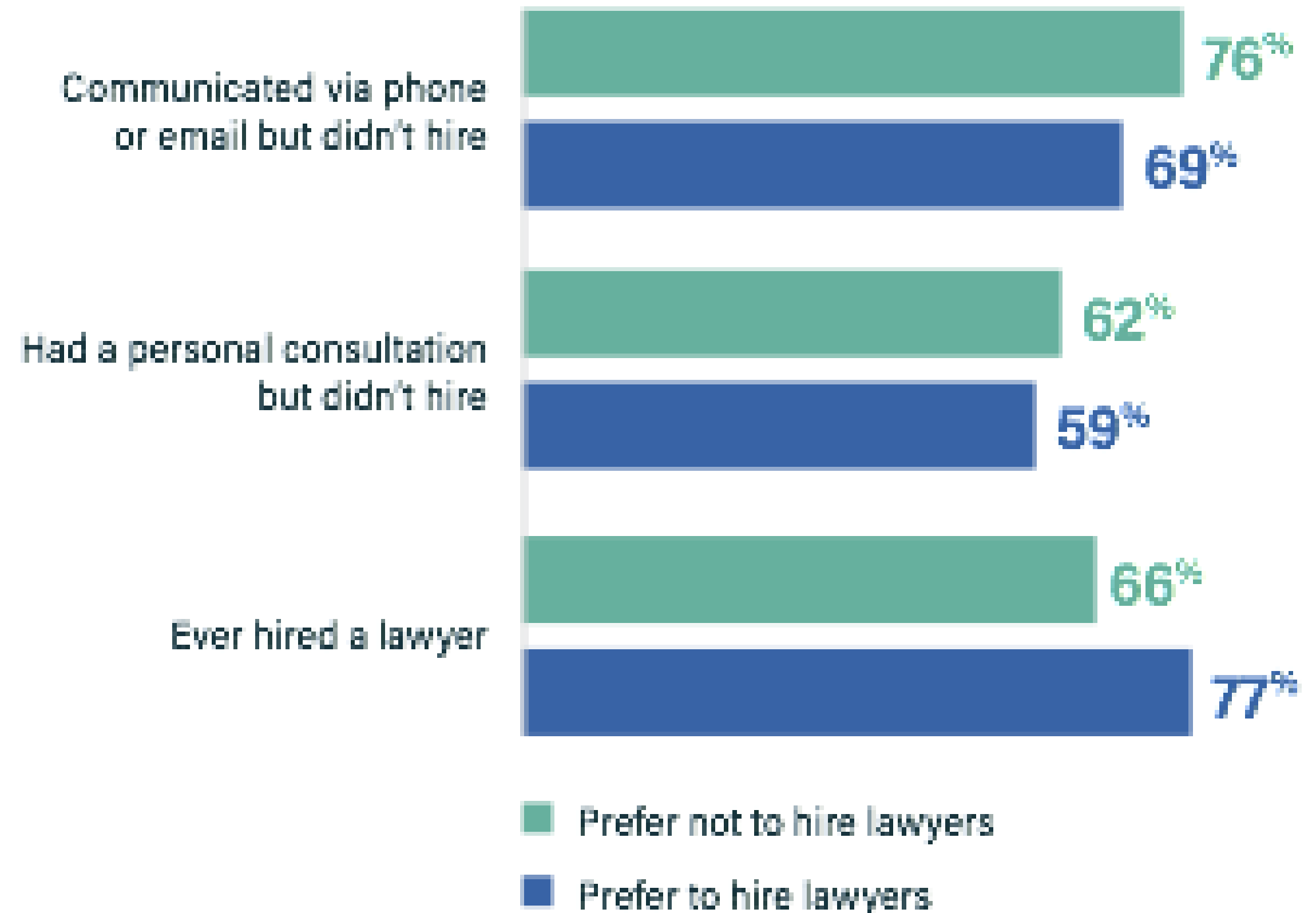
sought a consult with a lawyer they didn't hire.

68%

communicated with a lawyer they did not hire.

Interactions with lawyers

Percent of customers reported each of the following




How do consumers
feel about lawyers?

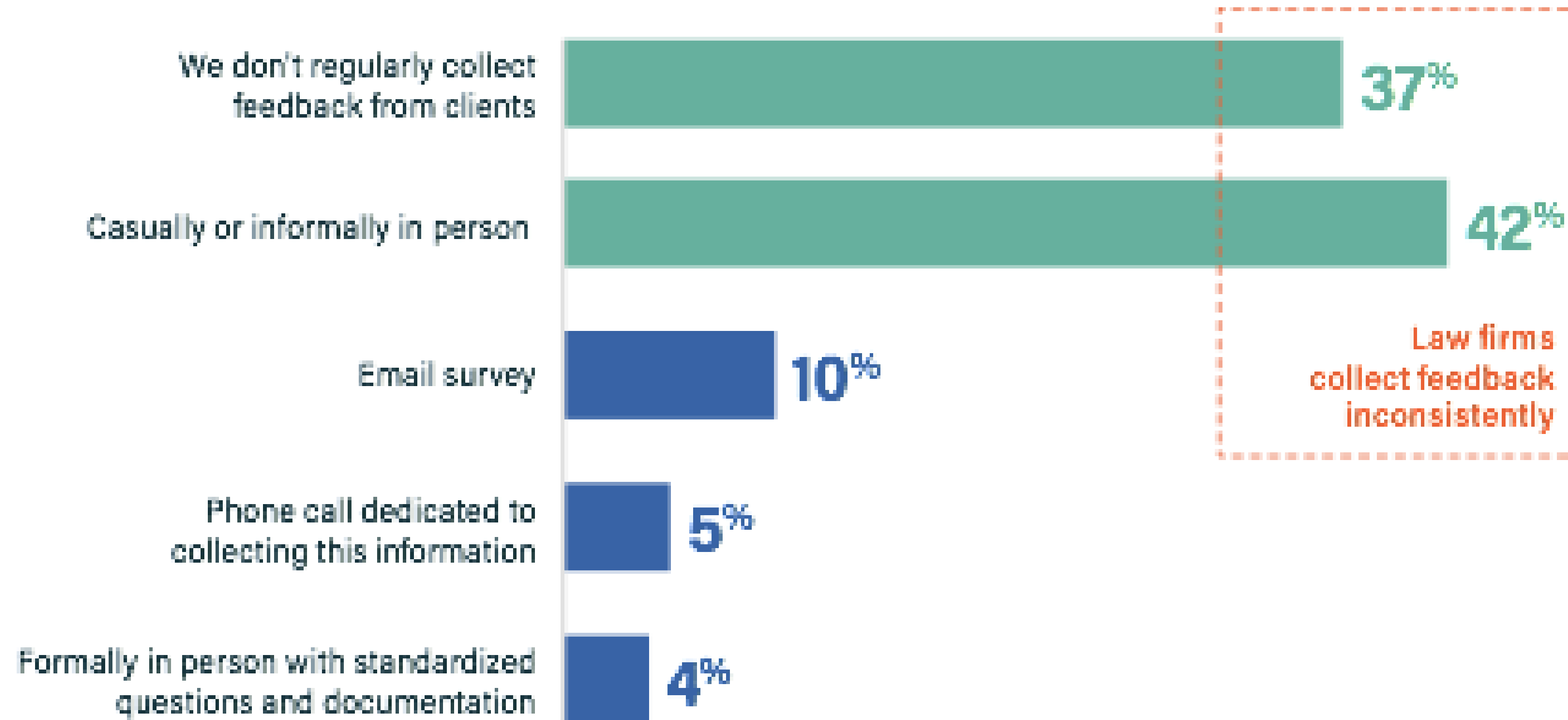


62%

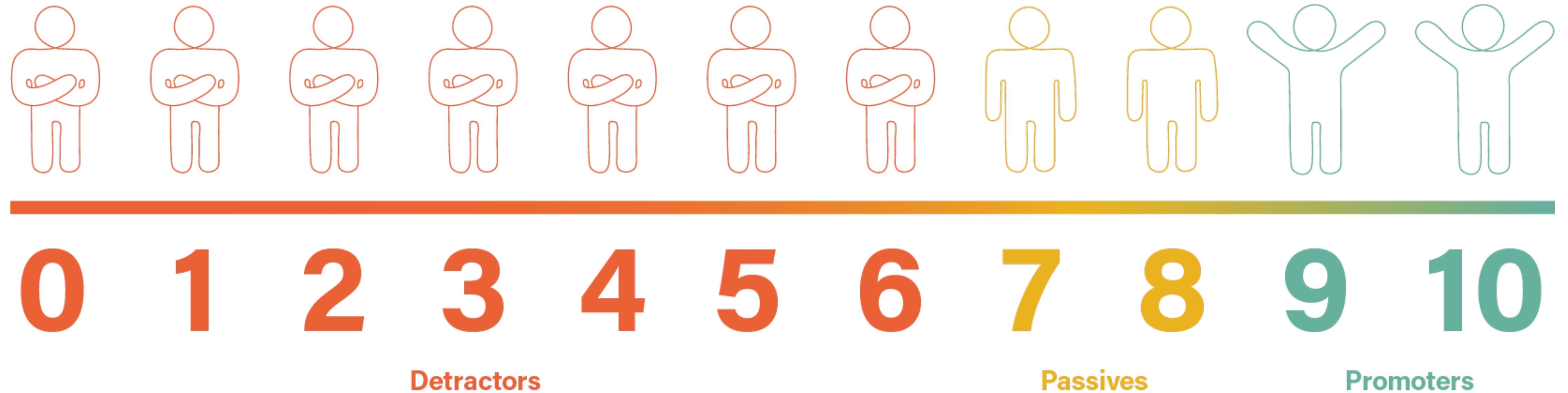
of consumers ask friends
and family for
recommendations when
looking to hire a lawyer



How do law firms collect client feedback?



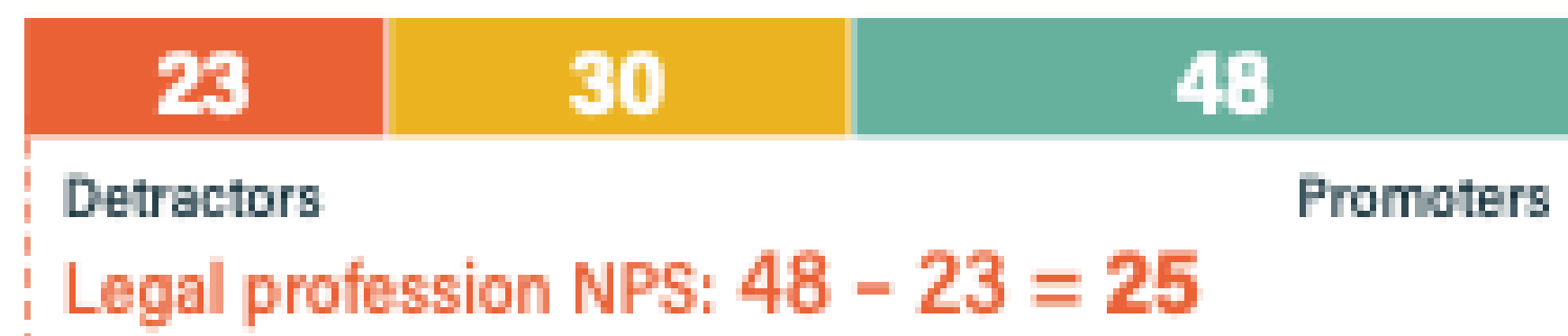
How does NPS work?

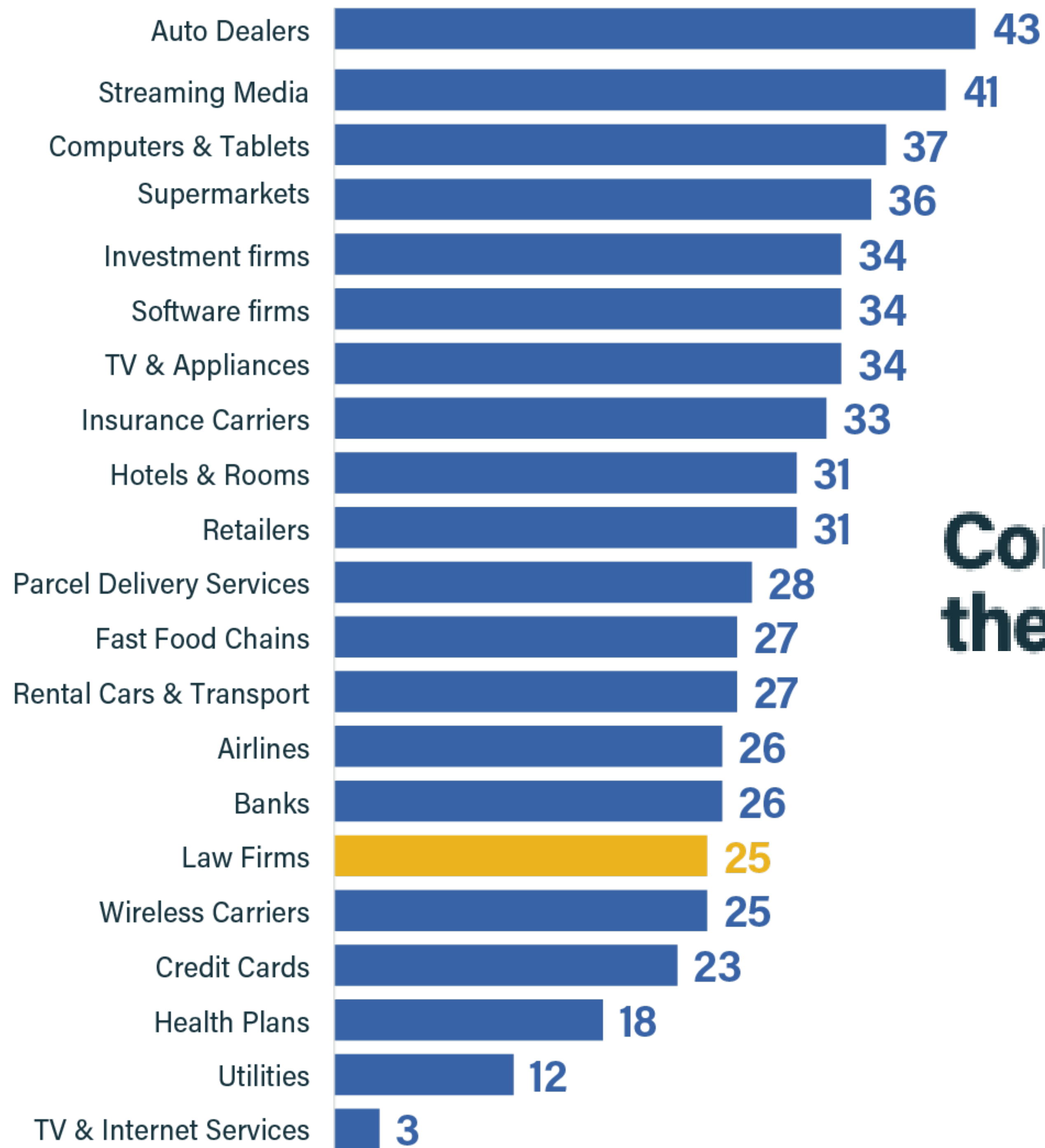


$$\text{NPS} = \text{Promoters (\%)} - \text{Detractors (\%)}$$

25 NPS

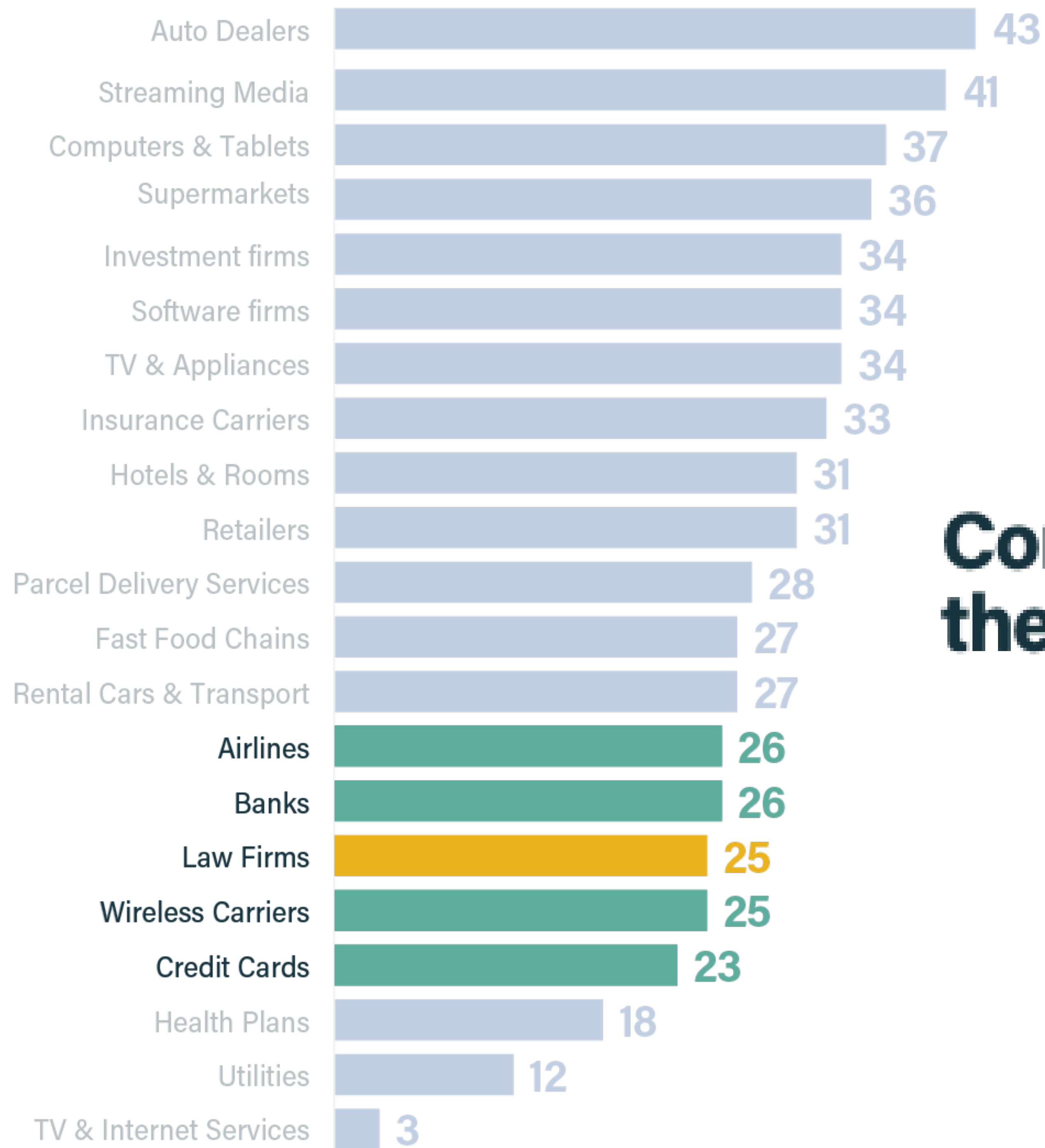
for the legal profession





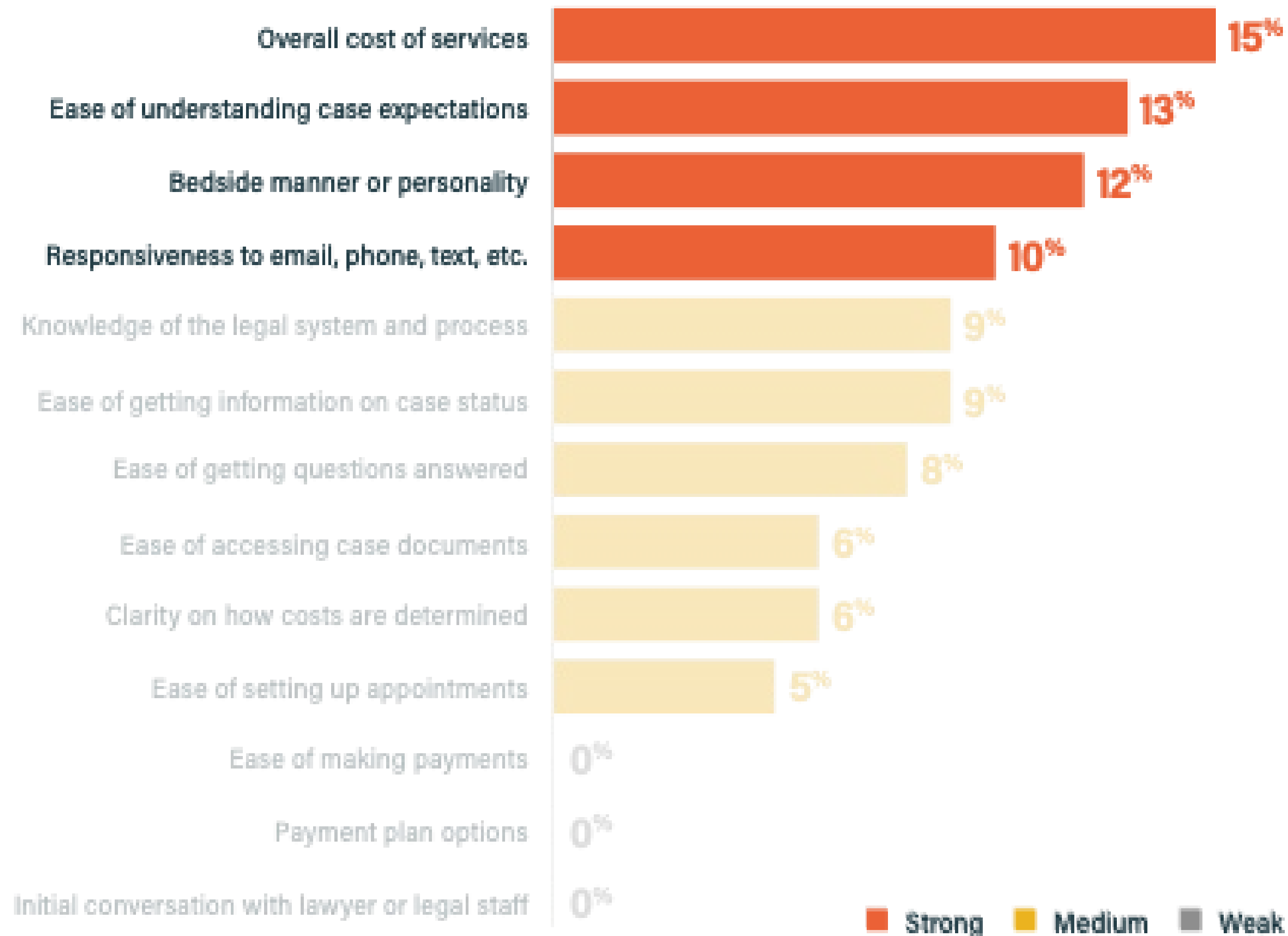
Comparing NPS for the legal profession





Comparing NPS for the legal profession

What influences NPS?



Meeting client expectations

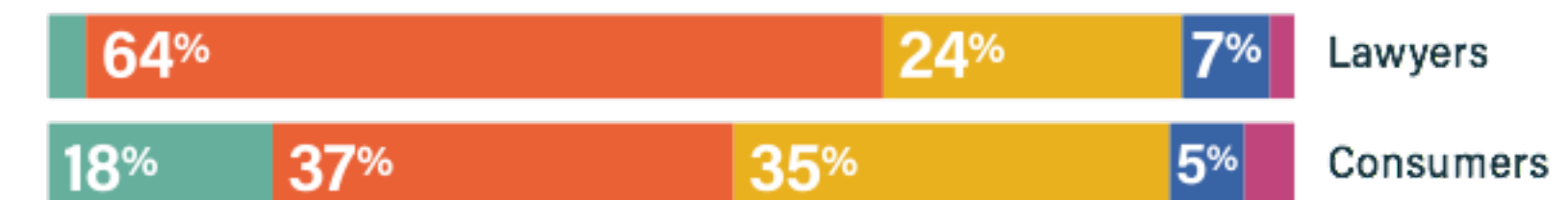


Perception versus reality

Making appointments



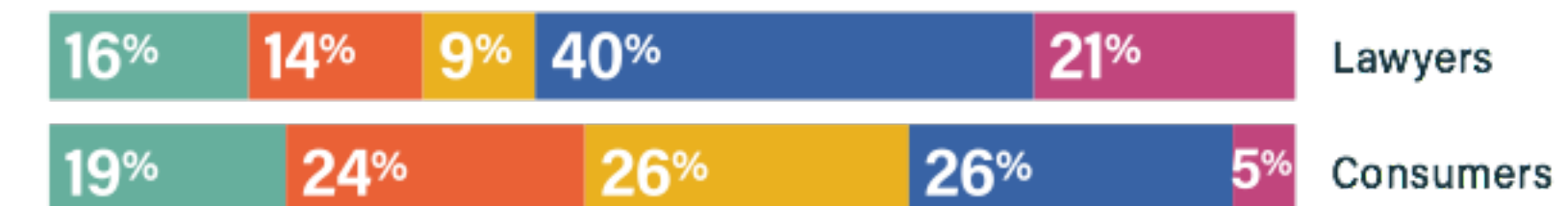
Getting status updates on a case



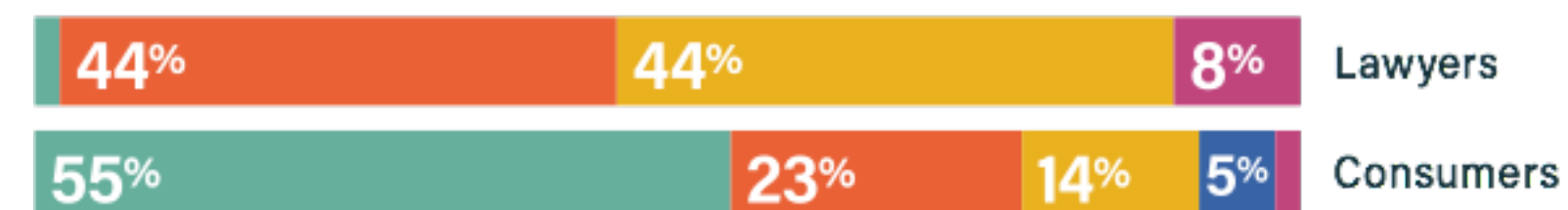
Telling a lawyer all the facts or details of a situation



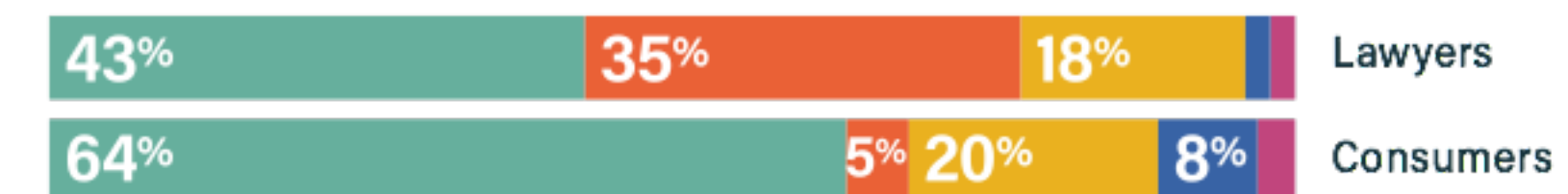
Checking hours a lawyer is spending on a case



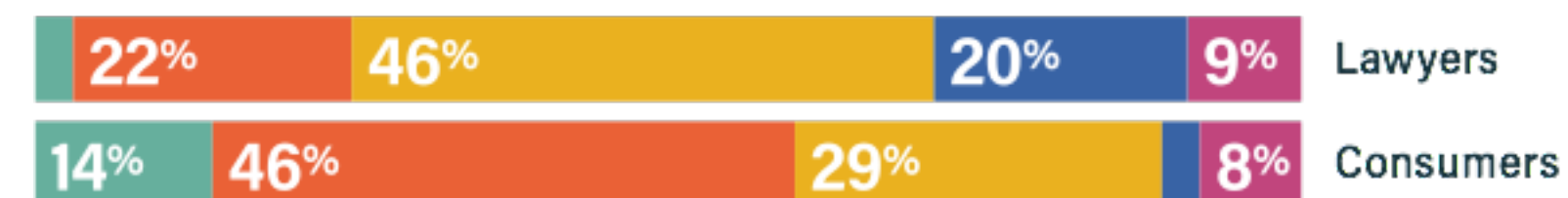
Learning about the legal aspects of a case



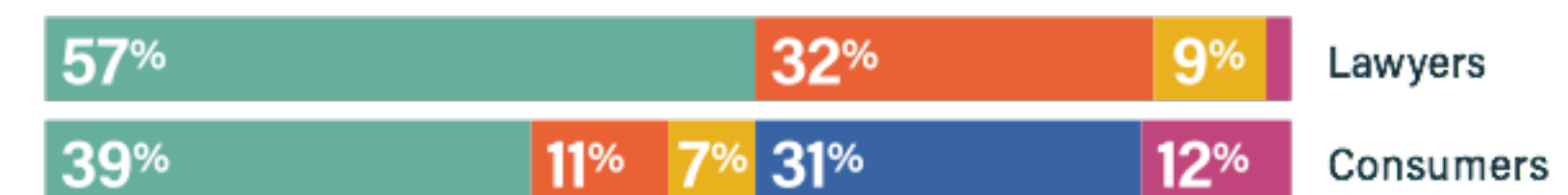
Signing, viewing, sharing, or delivering documents



Getting quick questions answered



Making payments



Communication by type:

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



Perception versus reality

Making appointments

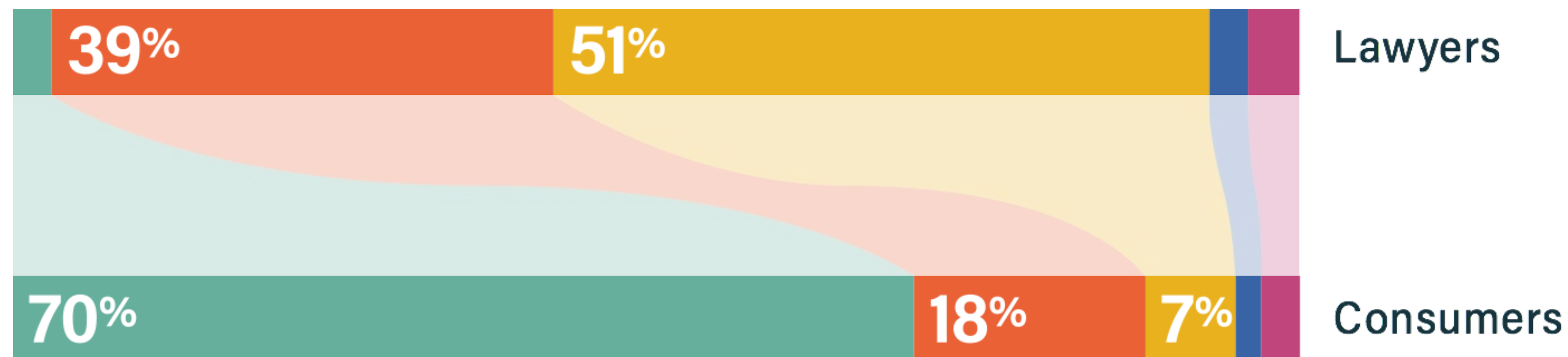


Communication by type:

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Perception versus reality

Telling a lawyer all the facts or details of a situation



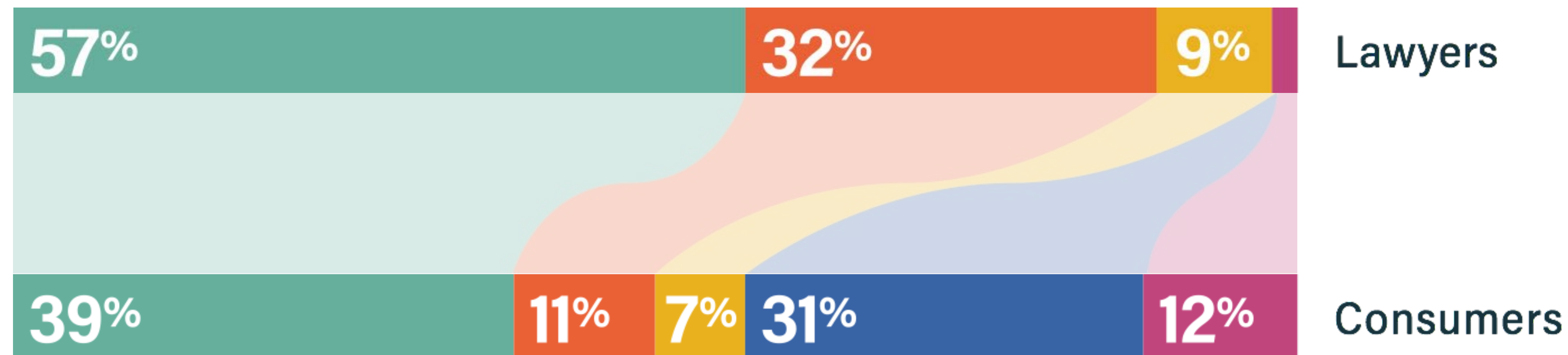
Communication by type:

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Perception versus reality

Making payments



Communication by type:

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Clients expect flexibility



The infographic features a central graphic composed of overlapping squares in shades of blue and teal, with a semi-circle in magenta and dark blue at the top. Two data points are highlighted in white text within teal-colored rectangular boxes. The first box on the left contains '68%' and the second box on the right contains '59%'. Both boxes include a descriptive sentence below the percentage. The overall design is modern and professional, using a color palette of blues, teals, and magenta.

68%

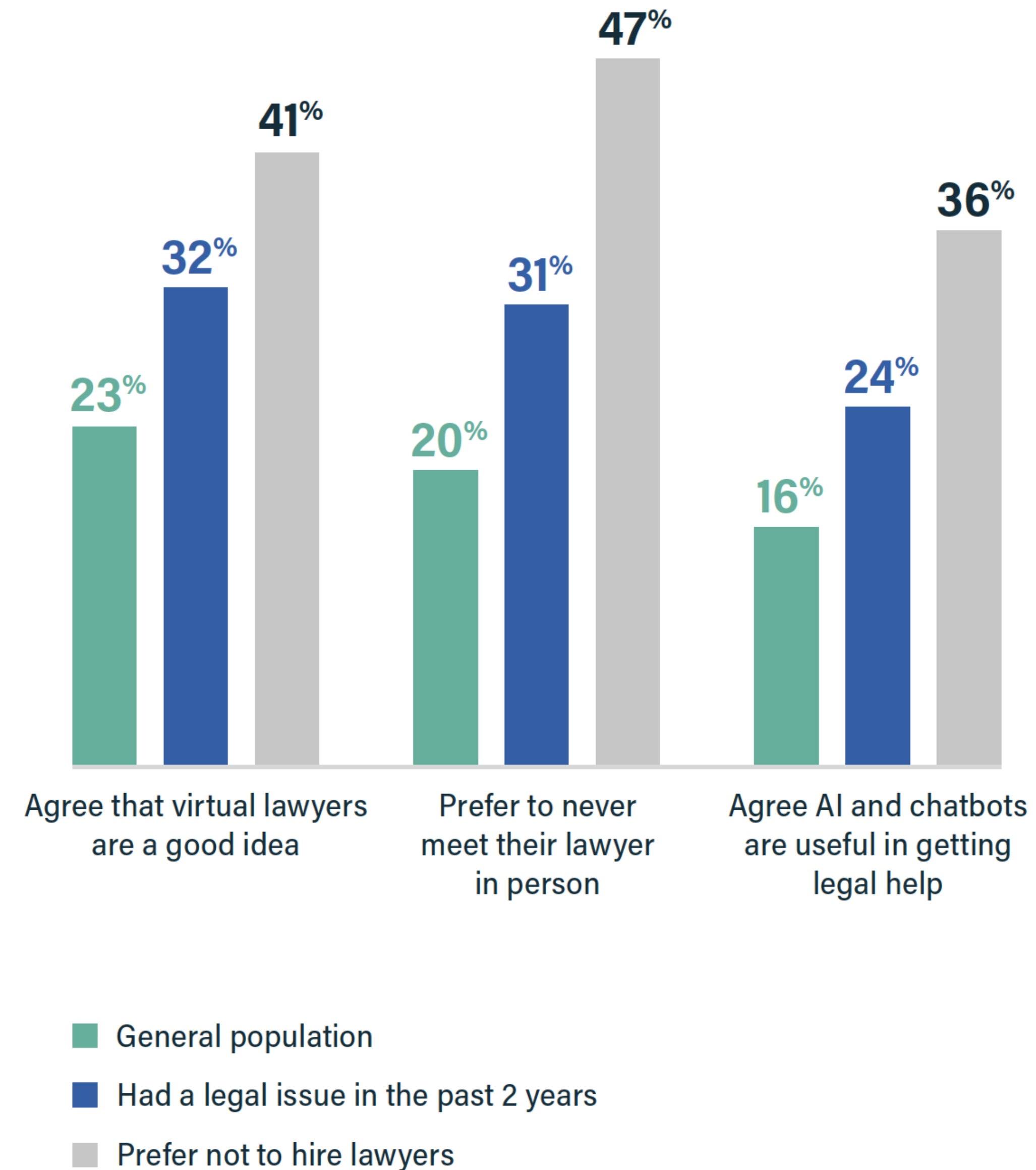
of clients expect
lawyers to be
available outside
of their office.

59%

of clients expect
lawyers to be
available outside
of business hours.



Client Perceptions are Changing



Legal Insights for Canadian Lawyers?



"Change is hard, but change is good."

- Henry Rollins



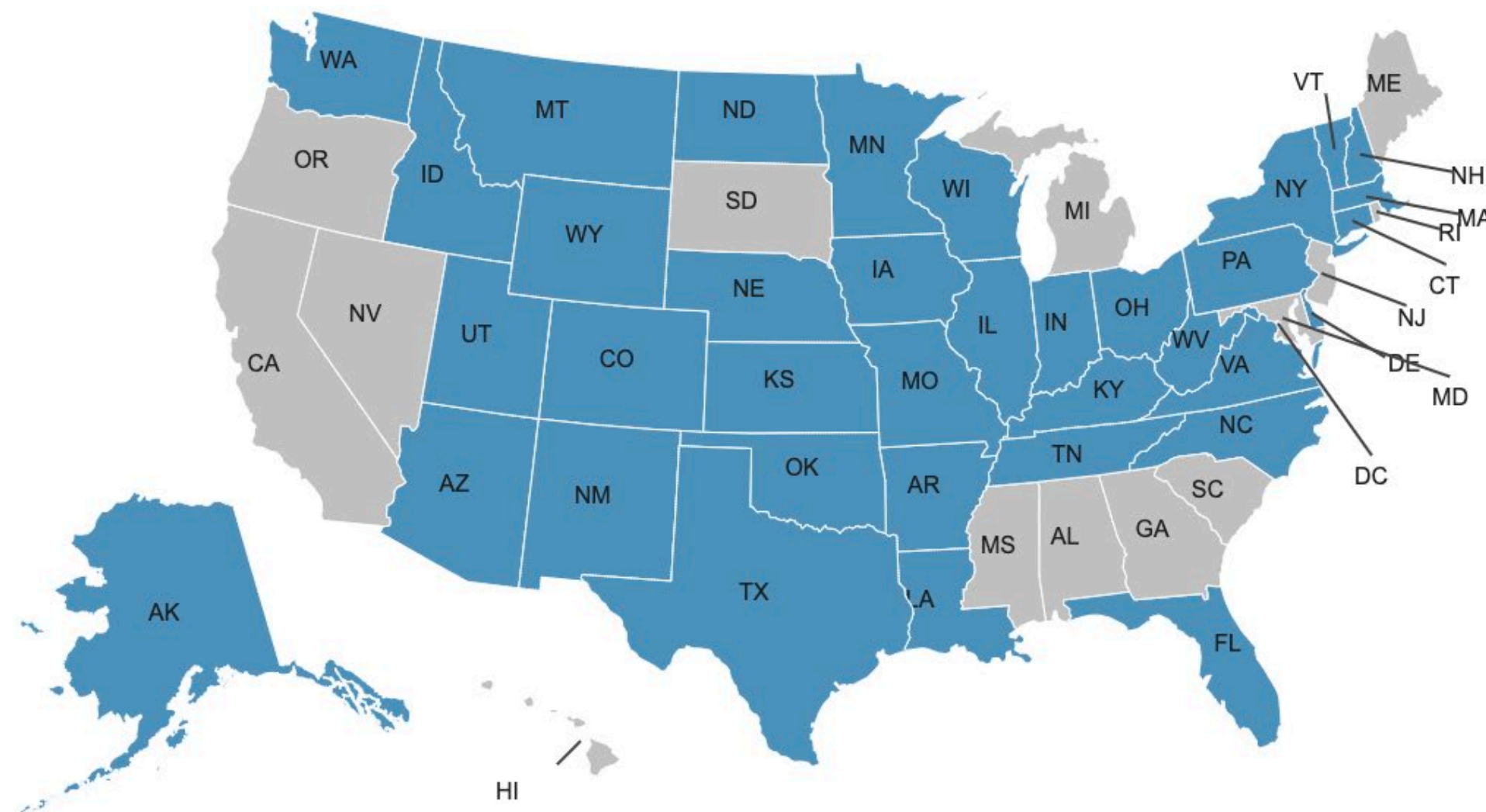


Responsible use of
technology
requires guidance





- **2012 – Added a duty of Technological Competence**
- **36 States have adopted the duty of Tech Competence**



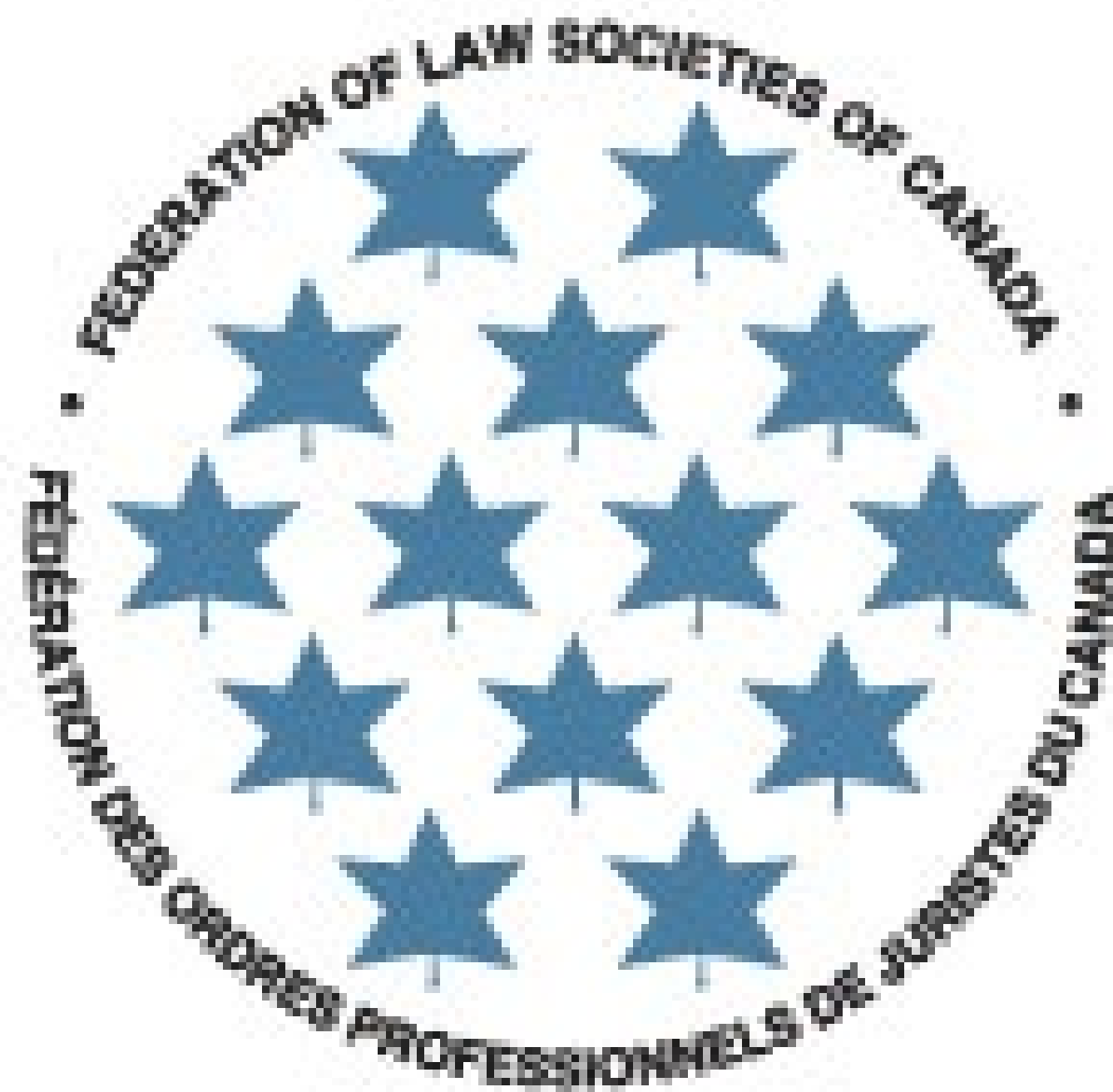


THE CANADIAN
BAR ASSOCIATION

L'ASSOCIATION DU
BARREAU CANADIEN

- **2008 – Publication of *Guidelines for Practicing Ethically with New Information Technologies***
- **2013 – Launch of *Legal Futures Initiative***





- **2017 – Proposed the addition of a duty of technological competency to the *Model Code of Professional Conduct***
- **2019 – The proposed changes have not been enacted**





- **Cloud Computing Diligence Guidelines**



- **Technology Practice Management Guidelines**



Key Lessons



Change is here... to stay

YAY!





Read the Legal Trends Reports.

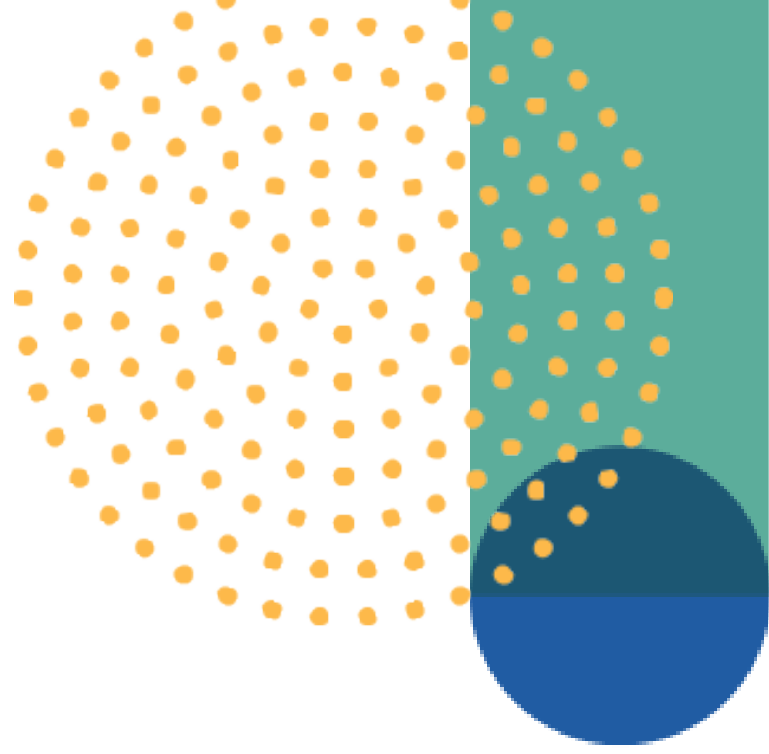
Do your research and ask questions.

Get the conversation started.

Keep an open mind.



Questions





Thank you!

Rio Peterson

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