

BUILDING THE 21ST-CENTURY LAW FIRM

OUR YEARLONG
SERIES ASKS
LEADERS OF
CHANGE
IN LAW
PRACTICE WHAT
WILL WORK IN A
NEW FIRM

What should a 21st-century law firm look like?

Over the last 100 years, the *ABA Journal* has been chronicling the legal profession, its changes and challenges. But in the last decade or so, the speed of change has been supercharged by the computer and its myriad uses. Just one track of the revolution: from dictating letters to inputting briefs on a desktop to having clients fill out online intake forms to pulling up research in the courtroom on a tablet. The process of practicing law and running a law office has gone through sea changes that even the most lofty of lawyers must face.

Still, the general operation of most law practices has resisted change like the bulwark of a seawall. Make that a cracking seawall.

In recent times, the Business of Law section of the *Journal* has tried to shine a light on what's happening in the way law firms are operating and the choices law firm leaders have in running their offices and providing services to their clients. We have featured technology reaching into the cloud, process management to the granular level, and legal services that complement or compete with traditional law offices. Almost all of these products and processes have gotten some use by one law firm or another—some by many, a few by most.

THE CHALLENGE OF NEW

But what if a law firm were built looking at all the 21st-century options—virtual law, online practice management, cybersecurity, social media, new-client intake, digital devices, and on and on? What could that law firm look like? And how might it change law practice for the century?

That is the thinking behind this new series. From this issue through December



the BOL section will be dominated by articles looking at the way a new firm might be created using the latest technology tools.

And to help us, this series will be written by people who have used these technologies and become experts. Most of the writers have been honored as *ABA Journal* Legal Rebels and Legal Rebels Trailblazers, individuals who have pushed the envelope on changing the practice of law. All have established expertise through writing and speaking about their practices, what they have learned and what mistakes they have learned from. This is a group with deep knowledge of legal practice and dedication to changing it for the better—for lawyers, clients and the law.

And we ask you to be a part of this series. Please send us your questions about starting a law firm via AskDaliah@ABAJournal.com.

Daliah Saper—who opened her successful Chicago law firm, Saper Law Offices, in 2005—will be providing answers on all kinds of challenges to the beginning firm. Saper is regularly interviewed by the media, including ABC News, CNBC, CNN, the *Chicago Tribune*, Fox News, the *New York Times* and 20/20. She is an adjunct professor of entertainment law at Loyola University Chicago School of Law and has taught internet law as an adjunct at the University of Illinois College of Law. You can visit the firm's website, saperlaw.com, to review her full bio, which includes a long list of awards and accolades.

It's still early in the century—time enough to start a firm that will last until the next one. The future is already here, and this is what we think it will look like.

—Reginald F. Davis,
Business of Law editor



WHAT'S NEW? YOUR PRACTICE AND YOU

USE TECH, YES, BUT YOUR LAW FIRM MUST BE CLIENT-CENTRIC

BY SUSAN CARTIER LIEBEL

Richard Susskind, in his book *Tomorrow's Lawyers: An Introduction to Your Future*, claims that legal institutions and lawyers are poised to change more radically over the next two decades than they have over the last

two centuries.



The future of legal service, he says, will be a world of virtual courts, internet-based global legal businesses, online document production, commoditized service, legal process outsourcing and web-based simulated practice. Legal markets will be liberalized with new jobs—and new employers—for lawyers.

Pretty daunting, right? If not downright frightening.

I'd like to share another daunting prediction. By 2020, 40 percent of all working Americans will be self-employed (according to an Intuit study reported by Bloomberg News a few years ago). Now the legal profession has a disproportionately higher number of graduates who eventually end up self-employed, so by my calculations and some rudimentary math, this means that by 2020, approximately 68 percent of all private practice attorneys will be solos. What are the odds you will be a solo, too, if you're not already?

MAKING IT WORK

I'd like to share the story of how I looked for my lawyer a couple of years ago when my husband and I had to do

our personal wills.

I had a strong referral. I didn't have a phone number, just the lawyer's name. I did a Google search and came up empty. I checked legal directories. Nothing. I then used search terms for trusts and estates and my geographic area. Nothing. But someone else's name did pop up several times.

She started talking to me—literally. She had educational video snippets of herself talking about issues facing those who want to create a will. She talked about my problem of selecting a guardian for our child, should

something happen to us, not about herself. She invited me to call her, or I could chat with her right there if I wanted. If she wasn't available I could leave her a text message online, and she would call me back; or I could schedule my own appointment on her online calendar.

I was hooked. I clicked over to her blog. I read some great on-point articles. She invited me to download a free checklist of what to consider when thinking about a will. I could follow her on Twitter and like her professional Facebook page if I wanted to.

She was talking to directly to me.

Then I realized she practices nearly two hours away. I didn't have the time or inclination to travel that far. But wait: She had an element of her practice that allowed us to consult online, pay online, exchange documents online, even electronically sign online. If I wasn't comfortable with the signatures, I could use a local notary. Everything was from the comfort of my home, or I could meet with her if I chose to.

I liked her, felt comfortable with her—all because of how she presented herself online. There were some testimonials. But I also did my own additional research. I checked her out on some online ratings sites to see if there were any reviews of her work by other clients. I saw she'd written some articles

for local papers. I immediately called. I got a great professional voice service (not live) that allowed me to leave a message, and it was personalized.

She called me within two hours, which the voice service said she would. After our online consult, I hired her and handled everything but the final signatures on our wills online.

WHAT THEY WANT

Clients don't want to have to struggle to find the right lawyer or fight to work with the right lawyer.

Whether you practiced law in the 19th or 20th centuries or do so in the 21st, we have to agree that some fundamentals will never change. You want to get clients. You want to do the legal work. You want to make a decent living doing the work you love.

In serving your clients, you have three primary obligations:

- To the rules of professional conduct—ethics—as well as your own moral compass.
- To due diligence as an advocate.
- And to work done in a timely, effective manner and always in your clients' best interest.

One caveat: What defines due diligence and a timely and effective manner is increasingly influenced by technology. Your use of technology will ultimately dictate your longevity in the profession.

What also will never change is how one gets clients. We have to agree that nothing replaces word of mouth.

You've hit the zenith in your professional career if 100 percent of your business is referrals from satisfied clients and your colleagues who respect you, and you have so much work from this source that you can pick and choose your clients and refer a bulk of these referrals to other attorneys. But you have to start somewhere.

Referrals are the brass ring. In order to achieve this level, produce consistent, excellent work and consistent, excellent marketing of your message throughout your professional career.

What has changed and will continue to change is:

- The manner in which we deliver our marketing message.
- The manner in which we work with our clients.
- The manner in which we actually deliver our legal services (the entire representation and workflow process).

CLIENT-CENTRIC

The philosophy you must embrace to have a successful solo or small-firm practice is that your firm exists to serve your clients. It must be client-centric.

Every choice you make—from who your clients are, how they learn about your services, how you communicate with them, how you serve them from the time they walk in the (virtual) door to the completion of their matters and beyond—must be from the viewpoint of the client.

This client-centric approach will encompass numerous areas, as I showcased with my own story. Consider everything: marketing and social media, self-publishing and video, how the phone is answered, the form of payments you will accept to virtual offices, unbundled legal services, law practice management solutions, e-discovery, technology in the courtroom and more.

Do not let this intimidate you. Remember, the principles of representing your clients will never change. The methods of engaging with your clients will be constantly evolving. The way you produce your work product will be constantly evolving. And your clients are evolving, too.

If you take the time to educate yourself on the tools necessary to help you be the most efficient and effective advocate for your clients, you will become the consummate 21st-century lawyer. Good luck. ■

Susan Cartier Liebel has been teaching, writing and speaking about how to start a solo legal practice for 16 years. A 2009 ABA Journal Legal Rebel, she is the founder and CEO of Solo Practice University. With more than 1,600 users and 1,500-plus individual classes, SPU includes representatives of over 200 U.S.-based law schools as well as law schools abroad.

STRATEGIES FOR CONSTRUCTING YOUR NEW LAW FIRM

BY SAM GLOVER

It's 2017, and we are all cyborgs.

Don't believe me? What's the capital of Kyrgyzstan? You just thought about reaching for your smartphone—your auxiliary brain—to look it up, didn't you? Instant knowledge is unremarkable in 2017, which is solid evidence that we are living in the future.

And yet, lots of lawyers are living in the past. When I asked about the capital of Kyrgyzstan, how many of you reading this just thought "I don't know," and it didn't even occur to you to switch browser tabs or pick up your phone?

According to the 2015 *ABA TechReport*, lawyers use Facebook at about half the rate of the general population. Facebook, Google and messaging apps aren't just about marketing; they are about participating in present-day society. At an alarming rate, lawyers don't.

In the law itself, you can argue that moving slowly and adapting reluctantly is a feature, not a bug. But when it comes to serving clients, it's a malfunction. Why not start your new firm (or give your existing firm an upgrade) with strategies that take

advantage of the trends shaping the future

of law practice?

Lawyers who drag their feet will soon be standing around wondering why their phones stopped ringing. (To start, nobody likes making phone calls anymore, especially to lawyers.)

Here are eight things you can do to get yourself and your new (or established) law firm ready for whatever comes next.

None of them requires artificial intelligence.

You probably don't even need a new computer.

You do need an open mind.

You will quickly notice there are no business plans or strategy templates in this article. There is no universal blueprint for a successful law firm of the future (or, for that matter, of the present). If all you want is a business strategy template, you can get one on the Lawyerist website. This is a set of strategies—some of which will be discussed in greater detail by other writers in this series—and a thought exercise that will help you position your firm to take advantage of what comes next.

1. BE NIMBLE

One thing seems certain: The trends currently shaping the legal profession do not point to a continuance of the status quo. The delivery of legal services is changing—although it is not entirely clear how that change will come and what it will mean for lawyers practicing today. To be ready for whatever comes, you must be nimble above all.

To be nimble, you must cut overhead and experiment constantly.

There are two important reasons to reduce your overhead:

- The downward pressure on fees—from clients and competitors—isn't going anywhere. You have to find a way to charge less. (That doesn't mean you have to get used to the idea of making less money. Keep reading.)
- You need to be able to take calculated risks. The only way to find out what will make your firm successful in five, 10 and 15 years is to experiment, and you can tolerate more risk if less of your income is committed to overhead.

You still need to spend money to make money, obviously. But you need to be smart about your spending. Put a premium on flexibility and be wary of lock-in. Now is probably not the time to purchase a new server or sign a five-year lease. But neither is it the time to sign up for practice management software if it won't let you export your data in a useful format.

Spend money when there is a clear benefit and always with a view to the long-term implications of your spending.

Once you can take calculated risks, start taking them. Conduct at least one experiment at all times. But experiment deliberately, not haphazardly. Gather data from your experiments, evaluate the results, decide whether the experiment succeeded or failed, and change your practice accordingly. Then, start a new experiment.

To help you figure out what to try, use the Agile retrospective. Every time you complete a task, such as handling a new client or answering discovery, get your team together (or if you are solo, sit down on your own) and ask three questions:

- What went well that we should keep doing?
- What didn't go well that we should stop doing?

- What should we try next time?

That should give you some ideas.

Deliberate, constant, iterative experimentation is what will help you improve your practice constantly and stay on top of new opportunities and challenges as they arise.

2. DIGITIZE YOUR PRACTICE

In order to be nimble, you should digitize the files, procedures and other information you use in your practice. You can be far more nimble—not to mention secure—if all your files are scanned, backed up to the cloud and encrypted.

But don't stop at scanning documents. Work on creating document templates for automated assembly. Maybe let your clients fill in the blanks for the first draft. Whenever you can save time and increase accuracy by automating a process, do it.

3. TAKE ADVANTAGE OF THE INTERNET

As a cyborg lawyer, your online presence is part of who you are. In fact, your website is often the first thing people see even after getting a word-of-mouth referral.

Your website should, first and foremost, serve to introduce people to you. Make it reflect your firm and vice versa. If you have a slick, responsive website but a shabby, disorganized office and you are terrible about getting back to people, fix that. If you emphasize first-class client service but your website looks like your nephew designed it last decade, fix it.

And not just for potential clients. Court staff, other lawyers, current clients and (hopefully) the media might need your address, your bio or your head shot.

At a minimum:

- Your website should have a professional, high-resolution photo of you (and every lawyer at your firm), a brief bio and your complete contact information.
- Your website should be fully functional and easy to navigate on mobile devices.
- Consider providing a client portal on your website for communication, access to documents, DIY templates and more.

Make your website part of the service you offer.

4. RETHINK THE CLIENT EXPERIENCE

Lots of people with legal problems don't hire lawyers to help solve them, and cost is only one reason why.

How many other successful modern businesses force their customers to communicate primarily by phone and mail, emphasize in-person meetings at inconvenient times and places, use lots of impenetrable jargon and documents, and charge a bunch of money for unpredictable results?

The Department of Motor Vehicles comes to mind. And lawyers.

Maybe people don't want to hire lawyers because it's an expensive, unpleasant experience most of the time. Maybe we could put some effort into designing a smooth, client-centric experience. If the experience can't be effortless, maybe we can minimize frustration instead of adding to it. And maybe in some cases, we can figure out ways to do less work, charge less and still deliver the high-quality legal service the client needs.

5. RETHINK YOUR BILLING MODEL

There is nothing wrong with hourly billing—unless it is the only thing you offer. The case for alternative fee structures has been made at length and in detail, by me and many others. There is no reason to repeat it here. The point, in sum, is that for some types of services, alternative fee arrangements make sense.

You should have a toolbox full of billing options so you can suit the fee arrangement to the legal service the client needs from you. Offer options. Experiment with unbundled services, flat fees and subscriptions to see if you can find a better way to charge for the services you offer.

6. OUTSOURCE WHAT YOU CAN

Most lawyers handle some work that could be handled more efficiently and effectively by someone else. Sending work to a trusted contractor can free up your time and skills for more valuable work.

For example, a receptionist's job is easy to outsource. A good receptionist service will

probably save you money while making you look good. Or do you know a smart lawyer who needs flexibility? Why not see if he or she will handle a discrete task for you, like reducing oral agreements to a first draft.

Outsourcing requires you to carefully lay out your procedures, but once you do, you should be able to smoothly integrate an outside contractor into your workflow.

7. BE A TECHNOLOGY ADVISER

It is long past time for lawyers to shed their reputation as Luddites and become knowledgeable technology advisers to our clients. There are too many legal issues tied up in the way people and companies use tech to entrust it all to the IT department.

If you represent businesses, you should be talking to them about how to implement litigation holds within their document management system. If you create estate plans, you should be discussing digital assets. No matter what kind of case you handle, you should be advising your clients about secure communication tools and practices.

Becoming a trusted technology adviser where the law intersects with technology will make you a more valuable legal adviser, but it may also open up opportunities to solve problems you and your clients aren't even aware of now.

8. DISRUPT YOURSELF

Finally, here's a thought exercise to get you thinking about how to move your law practice into the future:

What if a company came along in the next year or two with an app or a service model that solves your clients' legal problems in a way that cuts deeply into your firm's client base? How did they do it?

Don't fight the hypo. One way or another, it happens.

When you figure it out, consider doing it first. Disrupt yourself. Every day you wait, the likelihood increases that someone beats you to it. ■

Sam Glover is the founder and editor-in-chief of Lawyerist.com. A 2017 ABA Journal Legal Rebels Trailblazer, he writes, speaks and hosts podcasts about legal innovation, the legal technology industry and access to justice.