5 Tips For Small Law Firms to Thrive in the Online Era

Written by Carolyn Elefant

The legal field is undergoing a period of disruption with the Internet dramatically changing the way legal professionals communicate, research, attract new clients, and manage their businesses. For the most part, technology has made life more efficient for the small firm lawyer, giving them access to resources once limited to the big firms.

Yet what technology gives us, it also takes away. Small firm lawyers are increasingly feeling squeezed by online legal companies offering legal packages for wills, incorporations, claims cases, and more for a fraction of the traditional cost. Trying to compete with an online service on price is a race to the bottom, and small firm lawyers can't build a sustainable practice for themselves and their clients that way.

While the Internet has displaced some professions like travel agents, we shouldn't let the same thing happen in the legal field. If there are no solo lawyers and small firms, who is left to take on more complex cases the average person might encounter? What options would be available for the mom-and-pop shops trying to manage their business?

The good news is that small firms are still in a strong position alongside online legal services, as long as they can innovate and articulate their value. Here are five ways to do just that:

Discover the top highlights from our 2024 Legal Trends for Solo and Small Law Firms Report to gain insights on how small law firms are performing and industry wide trends.

1. Make sure clients are comparing apples to apples

The marketing departments for online providers like to show the lowest price possible, often for the barest of services, then they upsell customers on additional services, many of which would be included in an attorney's basic fee. For example, filing for an EIN with the IRS is an additional charge with an online provider, while this task would be included in most lawyer's incorporation packages. When you are discussing costs with a client, make sure they understand exactly what they get for the money. Once they start comparing apples to apples, the cost differential between you and an online legal service narrows considerably.

2. Stress confidentiality

Confidentiality is one of the cornerstones of the attorney-client relationship, and lawyers have ethical and legal obligations to protect their client's data. Lawyers handling matters like family law, estate planning or bankruptcy are routinely entrusted with personal information on client assets, bank accounts, medical bills and property that marketers would love to get their hands on. Non-lawyer providers can re-sell this information to third party vendors, and for some that's actually part of their business model.

3. Give your clients online convenience

As a small firm lawyer, you can't expect to compete with LegalZoom or RocketLawyer if you make your clients drive hours to your office for each meeting. In the digital age, you need to leverage technology to make each stage of the process as convenient as possible for your clients. After all, clients who use services like LegalZoom aren't DIY'rs *per* se; rather, they've chosen to pay money to avoid the hassle of finding forms and filling them out on their own. Lawyers who can offer this level of convenience through software designed for small firms. Online features like appointment scheduling, billing, signatures, document sharing, and virtual meetings can capture clients who are willing to spend money, but don't necessarily want to wait three weeks for an appointment at an office 20 minutes away.

4. Provide personal value-add services

An online legal service isn't going to be able to provide the same level of hands-on service as a personal attorney. One strategy is to offer annual audits to ensure that clients' legal documents are valid even when the law and circumstances continually change. You can offer audits at no charge, then have clients pay for any necessary changes. Or, you can charge a modest fee for annual audits and give clients a discount for any changes. This annual "service plan" strategy will give your business a nice stream of revenue to help even out the inevitable ebbs and flows in your business.

5. Be forthright

At times, a client may not need your services. For example, when a client needs a basic incorporation or DBA filing, they might be better off opting with an online legal service (or just filing directly with the state). Don't be afraid to point them in this direction. It will strengthen your relationship, as clients will realize you have their best interests in mind.

The same client who turns to an online service for the basic business information they will need to use your expertise to handle an employee contract, trademark application, or other more complex legal needs.

The bottom line

The success of online legal providers brings to light the fact that clients are looking for low cost, convenient services for their legal needs. The key is to ensure that online services supplement the legal services for the general public, and not replace them altogether. Small firm and solo lawyers have an important role to play in our legal ecosystem; it's time to innovate and communicate your unique value, so your business can thrive for generations to come.

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Carolyn Elefant is an attorney, author, and founder of mySHingle.com.

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