ClioCon 2016: Melanie Heller Keynote

Written by Teresa Matich

How well is Big Law really doing?

Melanie Heller is the vice president and general manager of Bloomberg Law, Bloomberg's flagship legal and business intelligence product. At ClioCon, she spoke about why she believes large law firms are struggling, and how small law firms can take advantage of the situation to gain market share.

Big Law in Crisis

Melanie outlined some of the challenges facing large law firms. She cited overcapacity, underutilization, and resistance to change as key issues. Melanie also sees non-traditional competitors, such as alternative legal service providers, accounting firms, and consultants, taking work away from these firms as well.

> "Large law is in crisis right now. They're losing work to others, but they can't seem to adjust their business model quickly enough, and are unwilling, for obvious reasons, to lower their prices. In fact, in response to the shrinking market, many firms have raised their billing rates. And while there are some people, and some firms, that can demand higher rates, the remainder of the law firms who have raised their rates have put themselves at risk and have left a gap for smaller law firms."

Large Law Firms are Stuck … But You're Not

Melanie argued that the same things that disadvantage large law firms offer a distinct advantage to smaller practices. "In fact, I'd argue that there's never been a better time to have a small law firm," she said.

> "All of these things that make it hard for large law firms to change and adapt—large bureaucracies, management by committee, etc.—are absent from small law firms, making you more nimble, more adaptable, and better poised to navigate the current environment. ... As a solo practitioner or a member in a small law firm, bringing in new technology is relatively easy. You want a scanner to start reducing the amount of paper in your office? Walk over to Best Buy and get one. You want to change CRM's or legal research providers? Just sign the contract—no lengthy committee meetings to navigate or large groups of stakeholders to get on board."

How to Win

How can small firms and solo practitioners leverage this situation? With creative and aggressive branding, and the implementation of new technology.

> "You used to need armies of associates and paralegals to do things like large discovery, document review, complicated deals and litigations, 50-state surveys, and more, leaving small law firms without such resources at a distinct disadvantage. But in just the past ten years there have been tremendous advancements in technology to help with both the practice of law (drafting tools, annotated forms, heat maps, and such) and the business of law (outsourcing, billing, legal project management). These technologies actually make small law firms operate like much larger ones, giving them the ability to accomplish these tasks relatively easy."

Of course, getting started can be overwhelming given the sheer number of technology options available today. But Melanie advises keeping it simple and starting with what you need.

> “If it’s true that so many of you are feeling challenged by the amount of technology options out there, my advice is to keep it simple and keep your search focused. Find the things that help free up your time, and then spend your time using tools that help you prospect for and acquire new clients. You need tools that allow you to do things without having to be concerned about passing charges to clients, because frankly, clients simply don’t want to pay anymore ... Explore your options, and then take advantage of your unique ability to implement technology quickly.”

Upsetting the Apple Cart

Overall, Melanie believes that the future looks extremely bright for small law. She left the room with a powerful message:

"Where large law is struggling, you have a tremendous opportunity to step up and take the reins. Clients are looking for alternatives, and you've never been in a better position to be that alternative. And the challenges you face as defined by you, are supremely manageable. You spend too much time doing non-legal tasks? There's technology for that. You need to quickly get up to speed on a new area of law? There's technology for that. You're having trouble prospecting for new clients? There is technology for that. You're having trouble working through all these technology options? Keep it simple. Buy what you actually need and are actually going to use. And then focus on branding yourself as more than just the services you provide. Because you ARE more than just the services you provide. You, like we, have the ability to change the way legal services are provided. And you, like we, have the opportunity to upset the apple cart. And I don't know about you, but I'm certainly excited to be part of that revolution."

About Clio

Clio is the global leader in legal AI, powering legal work across the profession, from law firms of every size to corporate legal teams, government agencies, and courts. Its Intelligent Legal Work Platform unites the business and practice of law, connecting the people, information, and processes behind legal work. Clio's AI brings the context together with legal sources drawn from Clio Library, a growing collection of more than one billion legal documents. Over 400,000 legal professionals in more than 130 countries rely on Clio to run their legal world. Learn more at www.clio.com.