Highlights from the 2021 Legal Trends Report

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Since 2016, legal professionals have relied on Clio's annual *Legal Trends Report* for objective, comprehensive analyses of legal industry trends. As the legal industry's most in-depth analysis into the state of the legal practice, the *2021 Legal Trends Report* brings together critical insights about how legal services have adapted to the challenging circumstances of the past two years and what forces will shape these services in the future. Law firms can use the findings from the *2021 Legal Trends Report* to learn how to thrive in this new legal environment of rapidly shifting consumer expectations.

Now in its sixth year, the 2021 report includes aggregated responses from 150,000 legal professionals using Clio over the last two years, as well as survey responses from more than 1,000 legal professionals and 1,000 general consumers in the U.S. on what they deem most important to them today and in a post-COVID world.

This analysis builds on findings from the *2020 Legal Trends Report*, which identified technology adoption as a key aspect of law firm survival and success during the height of the pandemic. In 2021, the most successful firms continue to be those that adopted the technological solutions for more flexible client-centered services.

As consumers have adopted more remote forms of communication to adapt to the realities of the pandemic, they've grown accustomed to new methods of interaction that have also shifted their expectations when it comes to working with a lawyer.

In this blog post, we'll cover key points from the *2021 Legal Trends Report*. We'll also highlight the importance of delivering more flexible legal services to meet new consumer expectations and how the legal industry is redefining the meaning of a successful law firm.

Law firms need to design and deliver more flexible legal services to meet new consumer expectations

This year, 79% of legal consumers see the ability to work remotely with a lawyer as a key factor in choosing who to work with. Also, more than half of consumers indicated a strong preference for video conferencing solutions across multiple points in a legal matter. While technological solutions may have provided a significant competitive advantage in the past, they are now becoming a standard feature that consumers expect law firms to offer. Failing to recognize this reality and adopt the tools consumers expect will leave firms at a distinct disadvantage when it comes to attracting and retaining clients.

The most successful firms use well-implemented technological solutions extensively

Legal practices that have consistently grown their revenues are more likely to adopt client-centered technologies. In fact, these firms are 37% more likely to be using online payment solutions, 41% more likely to use client portals, and 46% more likely to use client intake and client relationship management (CRM) solutions. Growing firms or firms that saw a minimum of 20% year-over-year revenue growth use reporting tools twice as much. The success of these firms underscores the importance of understanding how to effectively harness the benefits of these flexible technologies in an ever-tightening and highly competitive market.

The following data demonstrates that law firms are adopting legal software like never before:

- **85% of legal professionals were using some form of software to manage their firms.** In 2020, we experienced adoption never seen before in legal in response to the pandemic.
- **83% of legal professionals were meeting clients virtually through platforms like Zoom.** Although video conferencing software has been around for a decade, it only became commonplace last year.
- **79% of legal professionals were storing firm data in the cloud.** When firms had to turn to remote operations last year, we saw lawyers turning to solutions like Clio at an unprecedented pace. This has formed the foundation for firms to create more flexible work arrangements that aren't tied to the idea of a centralized, physical office space.
- **62% of legal professionals supported electronic documents and e-signatures.** Firms adopting these solutions allow clients to retrieve and sign docs from anywhere, making their legal services more convenient and less stressful than their competitors who have not adapted their services.

Growing law firms are accepting online payments, and are using client portals, client intake and CRM solutions, and law firm reporting tools

Getting paid has been a constant source of friction for clients and law firms. As mentioned, our research found that **growing firms are 37% more likely to use online payments.** Until last year, many law firms lagged in adopting simple online payment solutions, when 73% of legal professionals reported accepting online payments. Firms also implemented more flexible payment options which can make their services more accessible.

Learn how Clio Payments makes it easy for your clients to pay their bills online, as well as improve your law firm's collection rates.

Growing firms are also 41% more likely to use client portals. Client portals offer a convenient, centralized way for lawyers and their clients to communicate. With client portals, both parties can consolidate all information relevant to a client's case in one secure and always-accessible location.

Learn how Clio for Clients helps legal clients securely communicate and share information with lawyers.

Growing firms are 46% more likely to use client intake and CRM solutions. Client intake and client relationship management (CRM) software help law firms deliver enhanced client experiences, especially during the crucial intake phase of a legal matter. These solutions make it easier for law firms to ensure streamlined operations at each step of the intake process.

Learn how Clio Grow, a cloud-based client intake and legal client relationship management (CRM) software transforms the way your firm attracts and retains prospective clients.

Growing law firms are twice as likely to use firm reporting tools. The takeaway from this data is that growing firms are more likely to increase their revenues because they have access to the information and insights that help them assess how their business is performing, which also allows them to focus more attention on planning for additional, ongoing growth over the long term.

Learn how the Law Firm Insights Dashboard in Clio Manage helps you identify opportunities to improve productivity, efficiency, and revenue across your firm.

Successful firms focus on providing more client-centered, flexible solutions

Our analysis shows that when it comes to financial spending, firms are focused less on investing in physical office spaces and more on enhancing their digital capabilities with legal practice management software. We found that 67% of respondents already regarded practice management software as a moderate or large expense in their firms, and a further 61% said they planned to invest more resources in this area moving forward. Conversely, office space was where law firms were least likely to invest (27%). The implication of these investment plans is that, as a whole, the legal industry will be better prepared to create more tech-enabled client experiences.

The current reshaping of how legal services are delivered and accessed will persist into the future as client expectations continue to adjust. Law firms that embrace new tools and processes are poised to become more resilient, flexible, and client-centered, while those who do not will struggle to remain relevant in a world that has changed for the better.

Download the full *2021 Legal Trends Report* for free at clio.com/ltr or watch our CLE-eligible webinar on the key insights from the *2021 Legal Trends Report*. And be sure to check out our highlights from the 2022 *Legal Trends Report*.

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.