Will Your Legal Software Provider Still Be Around in 5 Years? Key Signs to Watch For

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The legal technology industry is shifting fast—and the pace isn't slowing down. As AI becomes more accessible, the pressure is on software providers to deliver tools that genuinely boost efficiency and keep up with evolving law firm needs. Those who fall behind risk becoming obsolete.

The ripple effects of recent mergers, acquisitions, and company closures are being felt across the sector. Many firms are now grappling with the headache of integrating clunky tech stacks and retraining teams on unfamiliar platforms. That's why longevity in legal software isn't just a "nice to have"—it's critical. A stable, trusted solution means fewer disruptions, smoother operations, and one less thing to worry about in a high-pressure environment.

So how can law firms tell which providers are built to last?

Worried your legal software provider might not be here tomorrow? *Don't wait for the next acquisition, shutdown, or service disruption to find out. Book a demo to see why Clio is built for the next 100 years.*

Key signs your legal software provider might not be around in 5 years

1. Frequent ownership changes and mergers

Legal tech is seeing greater market consolidation as firms merge to increase economies of scale and expand their service offerings. A merger or acquisition can lead to reduced support quality when disparate support systems are integrated. Pricing models may be altered to recoup acquisition costs, and product roadmaps can be deprioritised in favour of other goals.

These changes can seriously impact existing customers, potentially affecting their workflow, budget, and long-term technology objectives.

Red flag: A history of ownership changes or multiple acquisitions in a short period.

2. Declining customer support and product innovation

During mergers, some legal tech companies focus their resources on operations while merging disparate systems. This often means cutting back on customer support and rolling out new product updates.

The slowdown in innovation can leave the customers of merged legal tech companies at a competitive disadvantage. Modern clients expect law firms to leverage technology for better service delivery. Failing to meet those expectations due to stalled innovation could lead to client dissatisfaction.

Law firms will eventually have to switch providers to avoid falling behind.

Red flag: Slower response times, fewer software updates, and a lack of new features.

3. Lack of transparent business model and profitability

Some legal tech companies are over-reliant on investor funding which can fluctuate unpredictably depending on market conditions. This volatility makes it difficult for these companies to plan for the future.

In addition, investors often expect rapid growth and returns, leading legal tech companies to prioritise short-term gains over long-term goals. Consequently they may be slow to adapt to changes in compliance and regulatory requirements. These legal tech companies can be left without a sustainable long-term model, and be vulnerable to being acquired or shut down.

Red flag: Heavy reliance on external funding with no clear profitability strategy.

4. Vendor lock-in and difficulty migrating data

Some legal tech providers use proprietary formats or restrictive contracts to create vendor lock-in, making it difficult for customers to switch to other solutions.

Proprietary file formats are controlled by a single provider, often imposing restrictions on use by other providers. Restrictive contracts may impose substantial egress fees on customers who wish to transfer data out of their cloud, including moving data to a rival provider.

These tactics mean that if a provider goes under or gets acquired, firms may struggle to migrate their data.

Red flag: No clear data export options or high exit fees.

5. Negative industry reputation and customer complaints

If a legal tech company has a negative reputation, this could be due to persistent unresolved customer complaints. Customer dissatisfaction arises from the legal tech solution not meeting user needs or expectations and is often an indication of deeper operational issues.

Outdated legal software leads to slower performance, increased downtime, and potential data security risks. Trying to resolve the situation with manual software updates can be disruptive, complex and costly, often requiring specialist IT support.

Red flag: Poor online reviews, frequent complaints about service or billing changes.

Why Clio is the long-term, safe choice

Clio offers industry-leading legal practice management software that you can rely on—today, tomorrow, and for the long haul.

A 100-year company vision: Founded in 2008 by Jack Newton, Clio was built to be a 100-year company. With a mission to transform the legal experience for all, Clio empowers lawyers to focus on what they do best by reducing administrative burdens and simplifying operations.

Proven market leadership: Clio has been ranked the **#1 Legal Case Management Software of 2024**, with the most 5-star reviews in the industry. G2 has recognised Clio as the top product in Legal Practice Management and #1 in Market Presence for seven consecutive years. In fact, Clio has led the Legal Practice Management, Legal Billing, and Legal Case Management categories for 24 straight quarters—a clear sign of consistent performance and trust.

Clio's excellence isn't just recognised within legal tech. In G2's Summer 2024 reports, Clio was named one of the Top 10 Companies by G2 Score across all industries, placing us alongside global giants like Microsoft, Salesforce, and Canva. Clio is also a winner of the 2024 G2 Best Software Awards, chosen from over 88,000 vendors worldwide.

Financial stability and independent growth: In July 2024, Clio raised a record-breaking $900 million in Series F funding, taking our valuation to $3 billion. This funding will accelerate platform innovation, particularly in AI and integrated payments, while ensuring financial strength for the long term.

Expanded support for all firm sizes: Clio recently acquired ShareDo, a leading case and matter management platform for enterprise firms. This acquisition reinforces Clio's dedication to serving legal practices of every size—from sole solicitors to global commercial law firms—and future-proofs the platform for any of your firms increasingly complex practice needs.

Continuous innovation and customer support: Clio's award-winning platform is shaped by 600+ hours of customer interviews and ongoing feedback. Our fast and responsive support, regular feature updates, and customer-led development mean you're always backed by a product that evolves with your firm.

No vendor lock-in: Clio gives you full ownership and control of your data. With open data formats, secure migration options, and no restrictive contracts, Clio keeps you in the driver's seat—offering freedom and flexibility as your firm grows.

Trusted by the industry: With more than 150,000 customers in 130+ countries, and endorsements from over 100 law societies and bar associations, Clio is the most trusted and recognised legal tech provider on the market.

Worried you're with the wrong legal software provider?

Choosing the wrong legal tech provider can cost your firm time, money, and stability. The costs of making a poor decision in this area extend far beyond the initial financial investment:

- **Technical shortcomings** can necessitate spending additional funds on integrations or costly supplementary programs.
- **Random system crashes** can lead to daily workflow disruptions as staff spend time troubleshooting instead of focusing on billable work.
- **Frequent downtime** from tech failures can result in missed deadlines and dissatisfied clients, causing reputational damage.
- **Inadequate security measures** can put sensitive client data at risk, leading to breaches and potential legal repercussions.

If your current provider shows any of the red flags we discussed, it's time to evaluate whether they'll still be around in five years.

Clio is the trusted long-term partner for law firms worldwide. Isn't it time you made the switch?

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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.