



## PRESS RELEASE

### ***2020 Wolters Kluwer Future Ready Lawyer: Performance Drivers and Change in the Legal Sector Technology is at the Center of Top Performance***

(June 4, 2020) – The disruption caused by the 2020 global pandemic will have far-reaching impact across the legal industry, accelerating the sector’s ongoing transformation. Before the crisis, the legal sector was already undergoing transformation driven by economic, demographic, regulatory, technology and competitive demands. Those forces will continue to drive change in the industry, with their impact now amplified by the COVID-19 crisis.

The crisis has shown that legal technology solutions, which enable work at anytime from anywhere, are essential to business continuity today. As the legal industry moves forward, however, the focus will also be on the key capabilities that will ensure that organizations not only survive through change, but also thrive in the new legal landscape.

Wolters Kluwer conducted an independent survey – the *2020 Wolters Kluwer Future Ready Lawyer Survey: Performance Drivers* – to assess future readiness and resilience in the legal sector. The survey includes insights from 700 legal professionals across the U.S. and nine European countries and examines ongoing trends in the legal sector and how well-prepared organizations are to drive higher performance.

“Given the pressures created by the crisis, there will be a spotlight on legal professionals’ performance moving ahead, with the need to increase productivity while delivering the highest value and ROI to their customers,” said Martin O’Malley, Wolters Kluwer Legal & Regulatory Executive Vice President and Managing Director.

Findings of the *2020 Wolters Kluwer Future Ready Lawyer Survey: Performance Drivers* [are available in this report](#), which also includes insights from legal industry leaders on COVID-19 and legal sector impact.

#### **Key Survey Findings**

With a focus on the attributes that drive performance in legal organizations, the survey found that legal professionals see technology as the top performance driver and critical to improved relationships, performance and productivity. In fact, the Increasing Importance of Legal Technology is the top trend for 76% of respondents across Europe and the U.S., and across law firms, corporate legal departments and business services firms. The survey also found performance blockers, however, and revealed a number of gaps in understanding, expectations, experience and capabilities – within, as well as between, law firms and corporate legal departments – that inhibit top performance.

#### **Top Trends and Readiness**

Lawyers predicted pressure from a series of trends expected to impact their organizations over the next three years and technology topped the list. The top trends expected to have the most impact are:

- Increasing Importance of Legal Technology – 76%
- Meeting Changing Client / Leadership Expectations – 74%
- Emphasis on Improved Efficiency / Productivity – 73%
- Ability to Acquire and Retain Talent – 73%
- Coping with Increased Volume and Complexity of Information – 72%

Looking across all trends, however, there is a significant gap between trends and readiness to address them. Fewer than one-third of respondents reported they were very prepared to address any of them. In fact, while the Increasing Importance of Legal Technology was the top trend at 76%, only 28% of respondents said they were very prepared for it. Why do legal organizations seem so unprepared? Respondents said that the Difficulty of Change Management & Leadership Resistance to Change is the biggest barrier to implementing change for both corporate legal departments (65%) and law firms (53%).

### **Client-Firm Relationships**

The *Future Ready Lawyer Survey* surfaced significant gaps between corporate legal departments' expectations and law firms' ability to deliver on them. For example, 79% of corporate lawyers said it is important that the law firms they work with Demonstrate Efficiency and Productivity, while only 28% said it describes their current firm very well. The disconnects that surfaced across several categories may be impacting client satisfaction levels, with only 26% of corporate lawyers very satisfied with their current law firm.

The findings make clear that increasingly, the use of technology is critical to how well firms meet client expectations. Corporate legal departments, faced with the need to improve productivity and efficiency, have turned to technology more aggressively and they are pressuring law firms to do the same. Within the next three years, 81% of corporate legal departments said they will require law firms to describe how they are using technology to be more productive and efficient – nearly double the rate of 41% asking this today.

### **The Changing Corporate Legal Department**

Looking at trends specific to corporate legal departments, respondents said that their top priorities over the next three years will be to: Reduce / Control Outside Legal Costs; Improve Legal Operations and Legal Project Management; and Provide Strategic Value to Their Company. When asked to identify the biggest changes ahead for them, 82% said they expect the Greater Use of Technology to Improve Productivity. With a focus on technology, the gap in knowledge and preparedness is most acute when it comes to transformational technologies. Big Data and Predictive Analytics are the transformational technologies that 67% of legal departments expect will have impact over the next three years, yet just 25% understand these technologies very well.

### **The Changing Law Firm**

Transformation is underway across the law firm landscape, as firms increasingly face competition from alternative legal service providers and even clients themselves. To ensure they meet client expectations, 67% of law firms said they are Investing in New Technology to Support Firm Operations and Client Work.

Given the increasing importance of legal technology, it's no surprise that law firms plan to invest more: 60% plan to increase their technology investment over the next three years. However, only 29% believe they are very prepared when it comes to Understanding Technology Solutions Available; 27% are very prepared to Use Technology to Be More Productive; 26% are very prepared to Use Technology to Improve Client Services; and 24% say their staff is Capable of Leveraging Technology effectively. In terms

of technology with the biggest impact in the next three years, 59% cite Artificial Intelligence, yet just 22% understand it very well.

### **The Technology Leader Edge Continues for the Future Ready Lawyer**

The crisis has pressured legal professionals to fast-track their use of technology solutions. It is also true, however, that many professionals were already on this path of transformation, with different players moving at different paces. The previous *Future Ready Lawyer Survey* conducted in 2019, found that *Technology Leaders* – those that fully leveraged technology – outperformed, across the board, those organizations that were not fully leveraging technology. In 2020, those findings were confirmed.

Among firms, 62% of *Technology Leaders* reported that their profitability increased over the prior year, compared to 39% of *Transitioning* firms. Additionally, across all areas of preparedness related to technology, staffing, organizational and client focus, *Technology Leaders* also outperformed organizations with lower technology use.

Findings of the *2020 Wolters Kluwer Future Ready Lawyer Survey: Performance Drivers* [are available in this report](#).

### **About the 2020 Wolters Kluwer Future Ready Lawyer Survey**

The *2020 Future Ready Lawyer Survey: Performance Drivers* from Wolters Kluwer Legal & Regulatory included quantitative interviews with 700 lawyers in law firms, legal departments and business services firms across the U.S. and nine European countries – the United Kingdom, Germany, The Netherlands, Italy, France, Spain, Poland, Belgium and Hungary – to examine how client expectations, technology and other factors are affecting the future of law across core areas and how legal organizations are prepared to address these. The survey was conducted online for Wolters Kluwer by a leading international research organization from January 10 to 30, 2020.

### **About Wolters Kluwer Legal & Regulatory**

Wolters Kluwer Legal & Regulatory is a division of Wolters Kluwer, a global leading provider of legal and compliance solutions that enable professionals to improve productivity and performance, mitigate risk and achieve better outcomes. Wolters Kluwer (WKL) is a global leader in professional information, software solutions, and services for the healthcare; tax and accounting; governance, risk and compliance; and legal and regulatory sectors. We help our customers make critical decisions every day by providing expert solutions that combine deep domain knowledge with specialized technology and services. Wolters Kluwer reported 2019 annual revenues of €4.6 billion. The group serves customers in over 180 countries, maintains operations in over 40 countries and employs approximately 19,000 people worldwide. The company is headquartered in Alphen aan den Rijn, the Netherlands. For more information about our solutions and organization, visit [www.wolterskluwer.com](http://www.wolterskluwer.com), follow us on [Twitter](#), [Facebook](#), [LinkedIn](#), and [YouTube](#).

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