

Five Legal Trends to Watch in 2019

If a crystal ball could accurately predict the future, it might help attorneys like you better anticipate client demands, prepare meaningful advice and formulate firm strategy. But alas, no proven mechanism exists to divine the future. We can only look at current and recent legal trends as well as economic and political developments to get an outlook for the year ahead. Following are five industry trends that will likely dominate the U.S. legal landscape in 2019.

1. Further growth in M&A

Merger activity has had two record-breaking years, and 2019 is predicted to be another strong year for M&A. Deal activity will continue to remain high as it keeps pace with the growing U.S. economy, which is projected to continue growing into 2020. Domestic optimism is being fueled by tax reform, a more relaxed regulatory environment and increased cash reserves.

Brexit and developing global events will have potential impacts in this space. The historic defeat of UK Prime Minister Theresa May's Brexit withdrawal agreement by the House of Commons on January 15 leaves the Brexit landscape still undefined. Attorneys of clients with UK interests will need to remain apprised of Brexit developments to properly advise on UK M&A activity.

This uptick in M&A activity also means that legal professionals with general business/commercial law experience will be in high demand.

2. Investment in AI and technology

Look for more investment by firms in artificial intelligence (AI), service platforms and like technologies this year. AI is transforming legal research at all levels and in all sectors across the United States. Firms have finally seen the light. Time-consuming research can now be done in a fraction of the time with AI and other technologies, and with better accuracy. Data analytics helps firms better manage the business side, while at the same time create better lawyers. And the increase in cloud and mobile services enables legal professionals to access legal research, historic cases and client files from home to the courtroom. This greater flexibility enables firms to tighten overhead and improve client service, while creating a less stressful work environment.

AI and technology are helping raise the bar and will be exciting to watch in 2019.

For more insight on this trend view the Law.com® on-demand webinar "Making Sense of Legal Tech: AI, Analytics and What it Means for Your Practice" featuring Karl Harris, CEO of Lex Machina®; Daniel Lewis co-founder and CEO of Ravel™ Law; Adam Peltz, knowledge management resource attorney, Paul, Weiss, Rifkind, Wharton & Garrison LLP; and Steve Kovalan, director of legal research, ALM® Intelligence.

3. Adoption of tighter cybersecurity measures

The costs and reputational impacts to law firms of security breaches, phishing, data hacks and more are staggering. Clients, especially corporate clients, need reassurance that cybersecurity measures are in place by frequently auditing firms with whom they are engaging. With the increased risk of law firm data breaches,

firms have no choice but to take cyber threats seriously and adopt preventive measures to protect firm and client interests and information. Common data security tools such as spam filters, firewalls and virus scanning will be augmented by heavy investment in cybersecurity technologies, such as [blockchain](#), encryption, wireless protocols and more.

4. Continued industry growth

The U.S. law firm industry has seen steady growth since the late 2000s, and 2019 is on track to be a boom year. Rate increases, including a surge last year, have been a key growth driver in addition to a healthy, growing U.S. economy. Increased demand will keep revenues steady in the coming year, but disproportionately. Firms with a strong brand, solid reputations and profit-focused infrastructures will outperform, namely The Am Law 100® firms. However, firms in lower tiers have also exhibited significant growth, especially niche firms.

To compete, midsize firms will need to be mindful of the costs of doing business, including cybersecurity, technology and associate costs. More firm consolidation and mergers are expected in order to remain profitable, especially among underperforming firms.

5. Higher client expectations

Client-centric service models are the norm today, driven primarily by new technologies that allow greater personalization at scale. 2019 will see higher expectations from clients who are looking for the same level of service from law firms as they do from big retailers, along with a more modern, personal experience. Firms that can provide streamlined, timely communications leveraging current technology will do well, and those that allow the voice of the customer to be heard will lead the way. Strategic clients can be especially impactful to the bottom line if treated well, as delivery is everything when it comes to client retention and new business.

This white paper is presented by LexisNexis on behalf of the author. The opinions may not represent the opinions of LexisNexis. This document is for educational purposes only.

About LexisNexis® Legal & Professional

LexisNexis Legal & Professional is a leading global provider of content and technology solutions that enable professionals in legal, corporate, tax, government, academic and non-profit organizations to make informed decisions and achieve better business outcomes. As a digital pioneer, the company was the first to bring legal and business information online with its Lexis® and Nexis® services. Today, LexisNexis Legal & Professional harnesses leading-edge technology and world-class content to help professionals work in faster, easier and more effective ways. Through close collaboration with its customers, the company ensures organizations can leverage its solutions to reduce risk, improve productivity, increase profitability and grow their business. LexisNexis Legal & Professional, which serves customers in more than 175 countries with 10,000 employees worldwide, is part of RELX Group, a world-leading provider of information and analytics for professional and business customers across industries.