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Small Law Tech Adoption Delivers Big Efficiencies

Although Big Law has vast resources, small law firms are in a better position to innovate. Innovation in law may be traced to a collective of people, process and technology. Now more than ever, general counsel are focused on working with progressive law firms that invest in legal tech, allowing them to be more efficient and cost-effective.

Based on a recent survey of 300 general counsel, nearly two-thirds of legal teams that hire small firms said they do so because they provide better client service, underscoring the inefficiencies often found within larger law firms. *The Lawyer* and *Globality*® “[Global Trends in Hiring Outside Counsel](#)” report also revealed that GCs and senior-level in-house lawyers tend to work with small firms because they are more innovative.

Typically, solo and small law firms are more open minded and less risk averse toward adopting new technologies. With fewer resources, small law firms must be able to do more in less time, which makes them prime candidates for adopting technologies that can increase their capacity.

Small law firms are also not subjected to the same [regulatory and socioeconomic hurdles](#) as their large law counterparts, such as restrictions on non-lawyer ownership and the view that law firms' hourly business model promotes inefficiency and is threatened by innovation. Small law firms are more likely to offer alternative fee arrangements (AFAs), such as flat fees, and are able to do so by leveraging technologies that deliver significant efficiencies.

Legal research, generally one of the largest line items billed to legal departments, has come a long way in recent years. With advanced solutions such as the [Lexis Analytics™](#) suite of analytics tools that leverages advanced technology, law firms are able to pass on those efficiencies to clients in the form of cost savings.

Because of their lean structures, small law firms are often the first to look at ways to achieve cost savings, and as a result, on-premises technology solutions are disappearing rapidly in the small firm market, according to Sharon Nelson and John Simek of [Sensei Enterprises, Inc.](#) Cloud-based services such as billing and practice management are not only less of a headache for law firms, they are also more affordable than on-premises technology.

As tech adoption becomes more popular, we are, in turn, seeing pricing change. Legal technologies are increasingly attractive to solo and small law firms as legal tech companies reduce prices in an effort to more effectively compete. Similar to when televisions became available for purchase in the 1950s (and later on, VCRs, DVD players, laptops and desktop computers), the price of legal tech has become more palatable for small law firms as the offerings have become more widely available.

With legal technology options ranging from practice management and eDiscovery software to legal research and judicial analytics, solo and small firms can focus more on substantive (billable) work and spend less time running the business. Large law firms that take the typical “not-me-first” position—delaying real innovation and the subsequent adoption of legal tech tools that allow them to move more quickly toward alternative fee arrangements and other new pricing models—may soon find themselves passed over in favor of more progressive, possibly smaller, law firms.

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