

# 2020 Legal Analytics Study

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Bringing Value Into Focus

The **2020 Legal Analytics Study**, conducted by ALM Intelligence in collaboration with LexisNexis, reveals a tipping point in the adoption of legal analytics among large law firm legal professionals.

The study gathers insights from 163 large law firm professionals to gain an understanding of the adoption, application and value of legal analytics. This survey, conducted in December of 2019, parsed questions into two major categories for all respondents: questions for respondents whose firm offer/utilize legal analytics technology and respondents whose firms do not currently leverage the technology.

The results demonstrate that as exposure and adoption increase, so does the understanding of how the tools can be applied and the value legal analytics can deliver to their practice.



**90%** of legal professionals agree that using legal analytics makes them a **better, more efficient and effective legal practitioner**



## Key Findings | Adoption

The majority of law firms and users have adopted legal analytics.



## Key Findings | Adoption

Adoption of legal analytics are rapidly increasing and projected to continue.

**75%**

of respondents  
have seen usage  
within their  
organization  
increase **over the  
past 12 months**

**92%**

of respondents  
plan to increase  
their use of legal  
analytics **in the  
next 12 months**

## Key Findings | Adoption

Competitive pressures and client expectations are driving adoption of legal analytics among law firms and users alike.

The primary drivers of legal analytics adoption are:

**58%** competitive pressure

**56%** client expectations that the firm has the best technology to gain a competitive advantage

**81%** of users say legal analytics are encouraged or looked upon favorably by clients

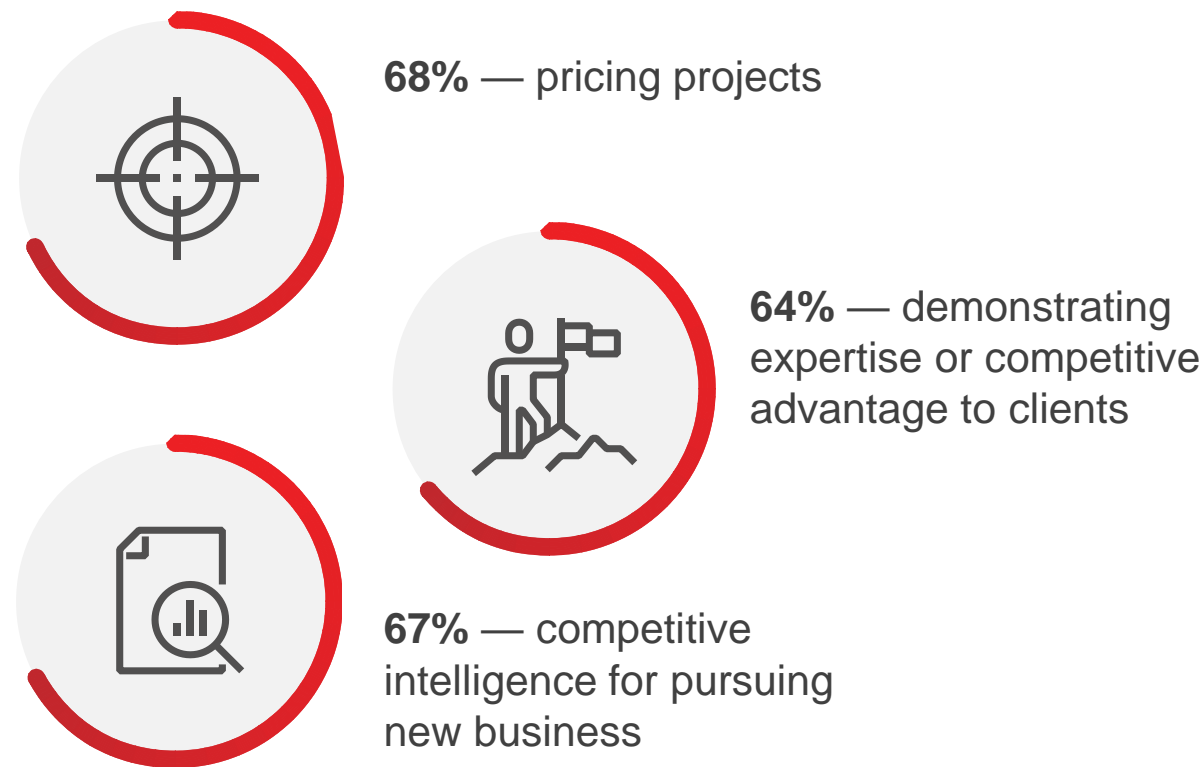
## Key Findings | Application

The greatest application of legal analytics is for gaining competitive insights, followed by strategic case assessment and pricing, and pursuing new business.

### Practice of Law Applications



### Business of Law Applications



## Key Findings | Application

Legal professionals at firms without access to legal analytics believe there is value in using these tools, indicating a belief that they are missing out on potential value.



**74%** believe legal analytics would be valuable for gaining competitive insights on opposing counsel, parties, judges, and more



**71%** believe legal analytics would be valuable for gaining competitive intelligence for pursuing new business



**70%** believe legal analytics would be valuable for demonstrating expertise or competitive advantage to clients

Legal analytics users are realizing the value of legal analytics and see the technology as instrumental for increasing knowledge and competitiveness while improving overall efficiencies.



**98%** of users say legal analytics have improved their law firm's performance



**90%** of users say legal analytics make them a better, more informed, more efficient and effective lawyer

### The top three benefits of legal analytics

**75%**

say increases their organization's knowledge

**56%**

say increases competitiveness

**52%**

say increases efficiency



# Recommendations



**LAW FIRMS** should provide access to the legal analytics tools their professional's value and desire to remain competitive.

**57%** believe it is important for their firm to provide access to legal analytics when considering employment opportunities.



**LEGAL PROFESSIONALS** should seek training opportunities to gain a stronger understanding of how legal analytics technologies work and can be applied to enhance their practice.

**60%** say that a lack of adequate training is the greatest challenge to adoption of legal analytics.



**LAW SCHOOLS** should look to incorporate legal analytics coursework and adapt their curriculum to meet the demands for new skillsets and roles.

**79%** say legal analytics will foster new skillsets and create new roles for legal professionals.

**74%** say legal analytics should be taught in law school.



**CORPORATE LEGAL DEPARTMENTS** should encourage, if not require, their outside counsel to use legal analytics tools and consider using these tools in-house to improve outcomes and increase their competitiveness..

**81%** of users say clients encourage legal analytics, while only **36%** of respondents from firms without analytics feel the same—highlighting a disconnect between users and non-users..

# **Appendix: Full Survey Results**

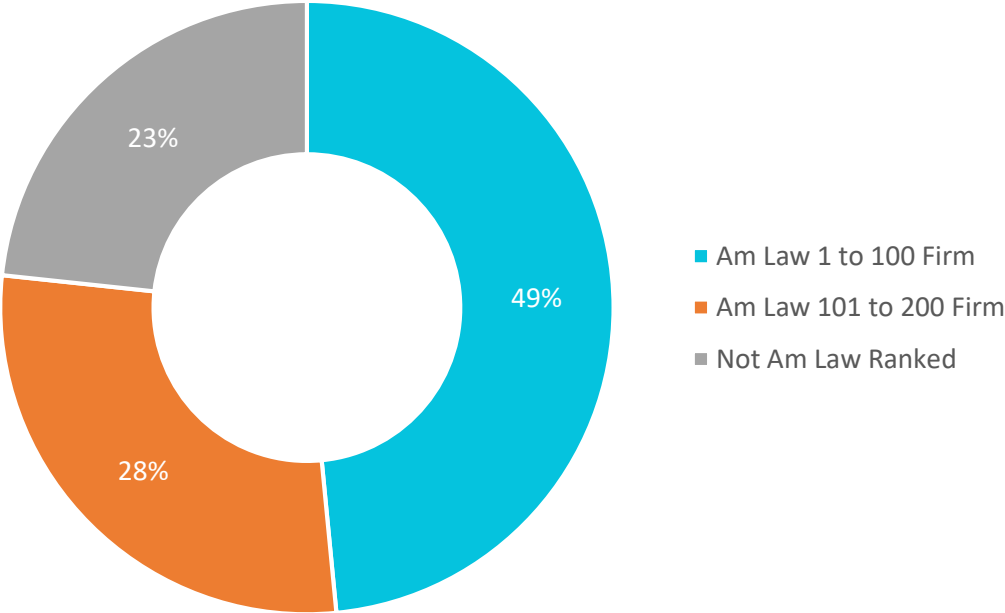
# Demographics

Respondents to this survey were from a diverse group of law firms. To acquire this information, a comprehensive survey canvassed opinions across an extensive global legal market, seeking opinions from all involved within the practice and operations of law firms.

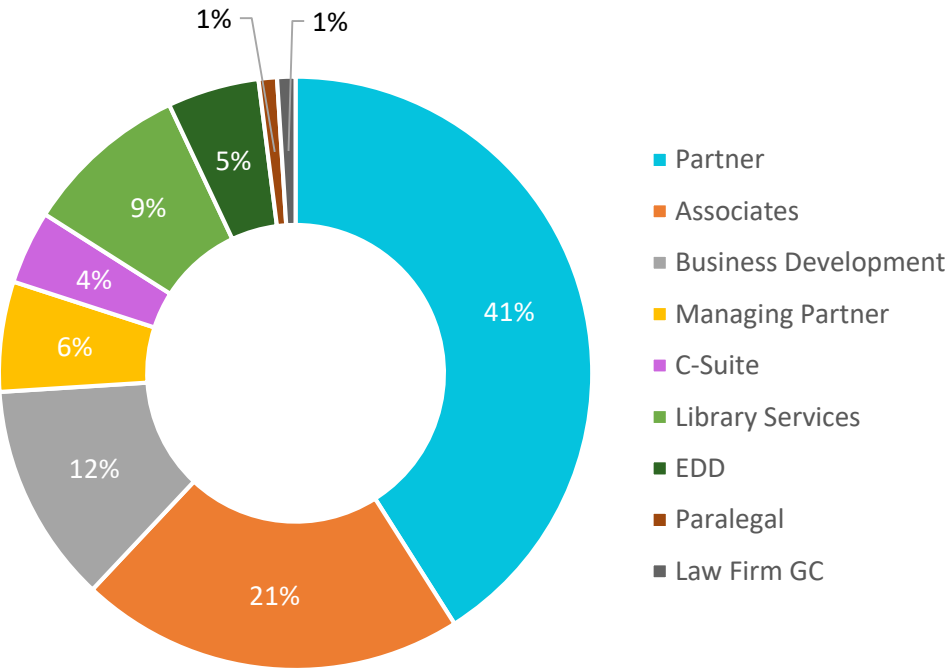
# Methodology & Respondent Profile

77% of the firms listed are listed in the Am Law 200. 70% of the respondents to this survey were attorneys representing over 25 different practice areas.

By Firm Size

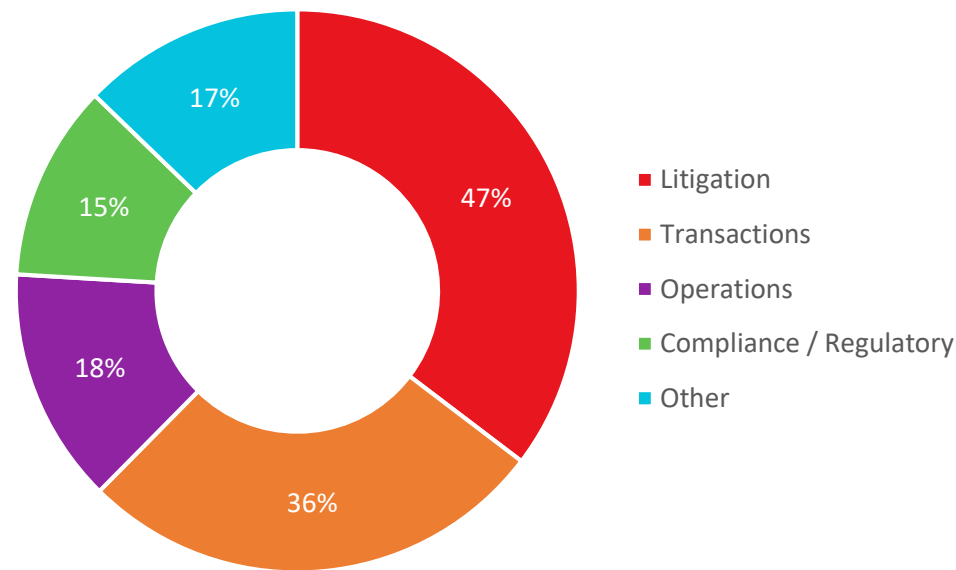


By Title / Function



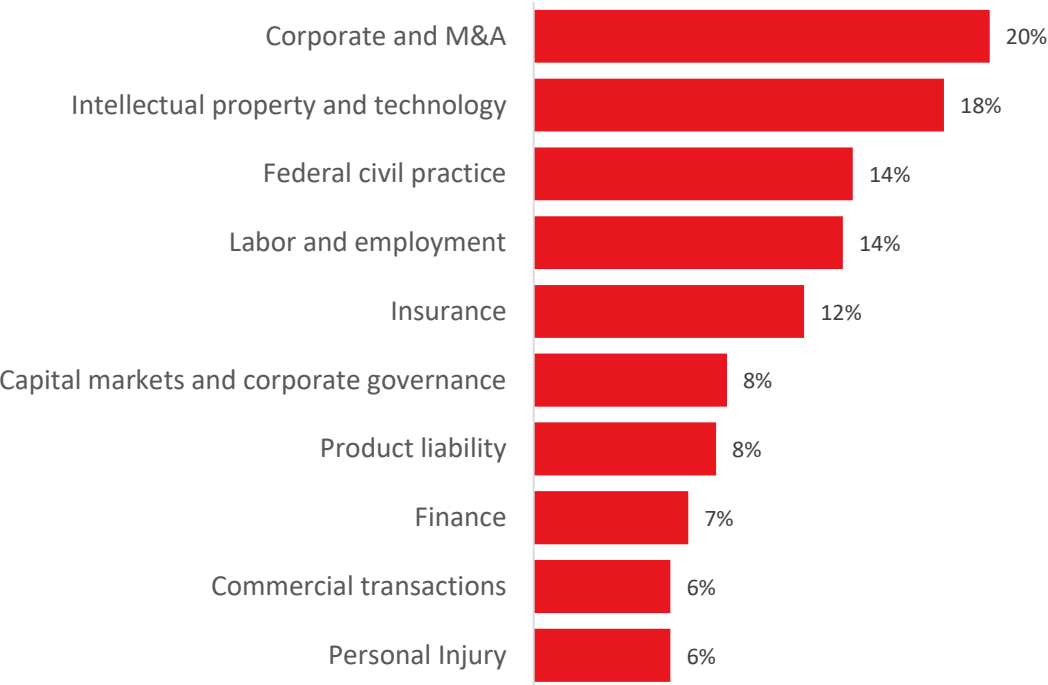
# Respondent Profile

Functional Expertise



“Other” includes analytics, business development, marketing, research information strategy and knowledge management

Top 10 Respondent Practice Areas



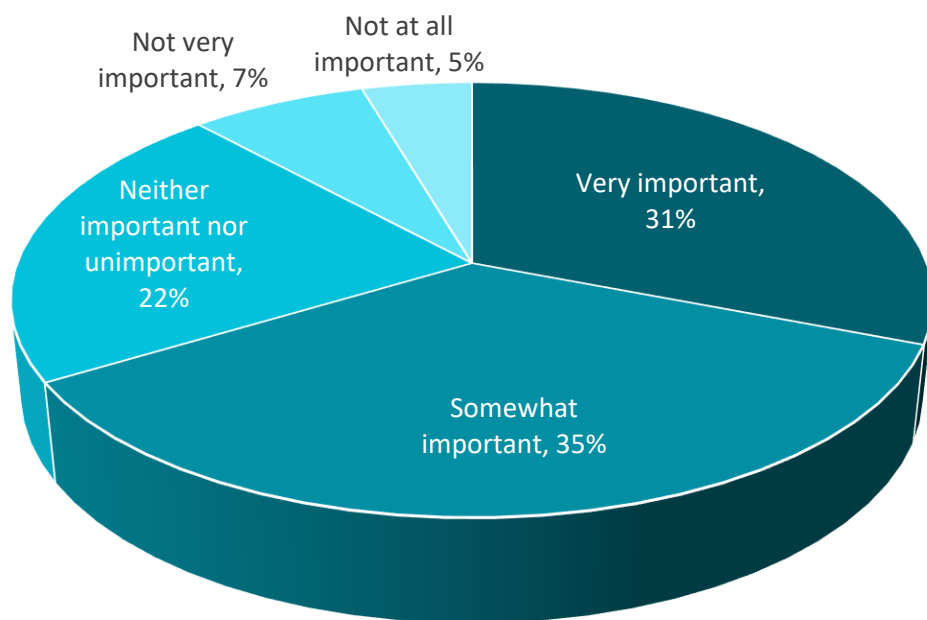


# Group Comparisons

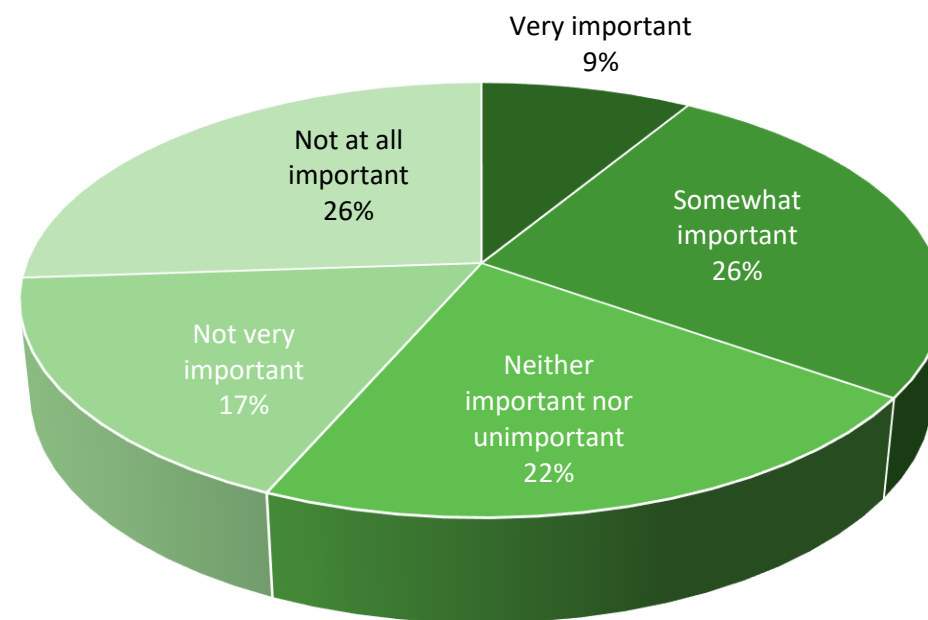
Responses to the questions in this section came from both those that have access to the technology, and those who do not. The perception and value of legal analytics is directly proportional to the availability and use of the technology.

# How important is it that your firm provide access to legal analytics?

**66% of the respondents who have access to legal analytics technology, stated that they believed it was important that their firm provided this technology, as compared to 35% of the respondents whose firms do not provide access.**



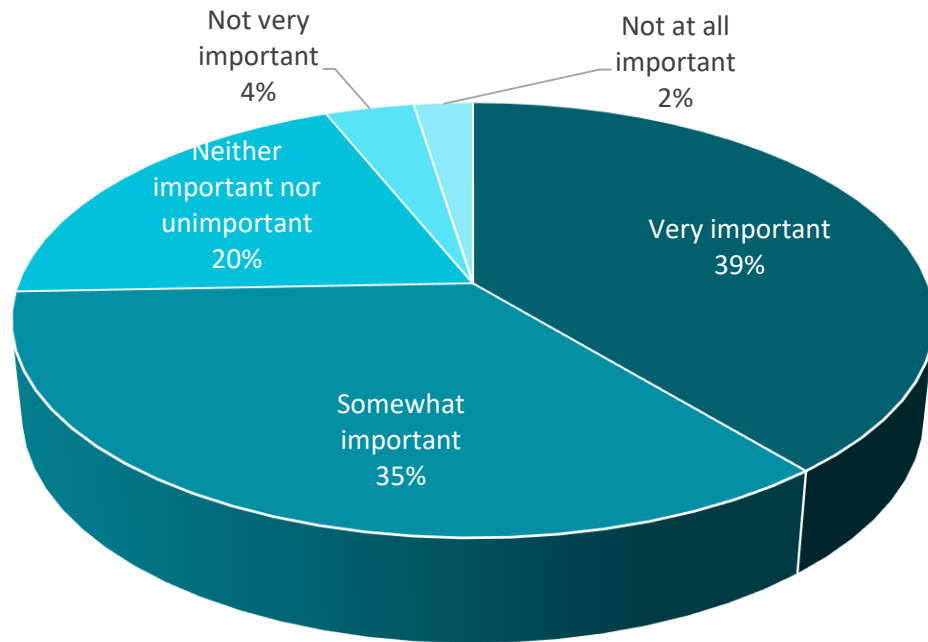
Respondents **with access** to legal analytics



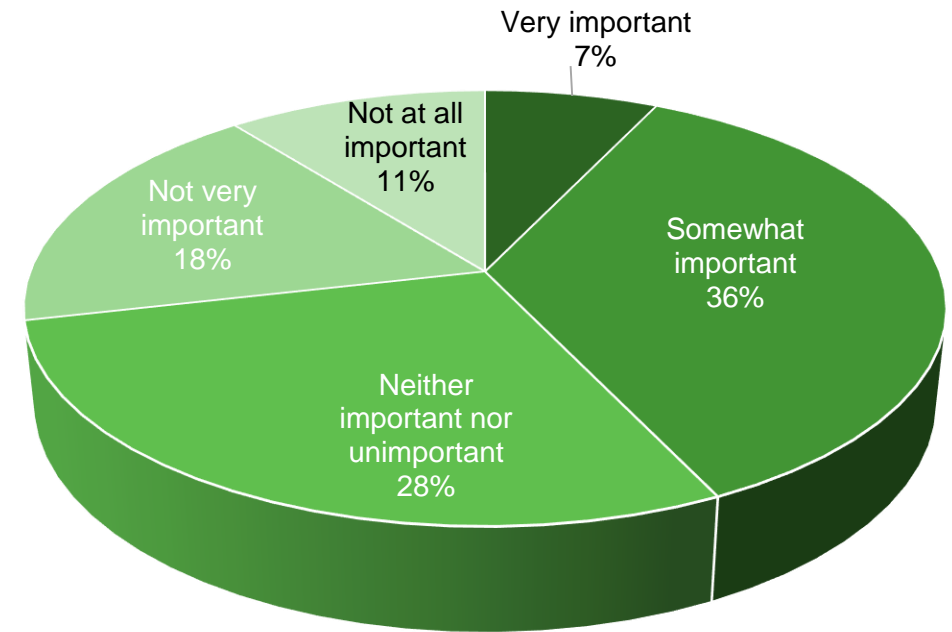
Respondents with **no access** to legal analytics

# How important is it that your firm provide access to legal analytics – users vs. non-users

When comparing users within firms that have access to legal analytics, there is a significant disparity in the importance of access to the technology. 74% of the actual users find it important that their firm provides access, while only 43% of the non-users attribute importance to the access.



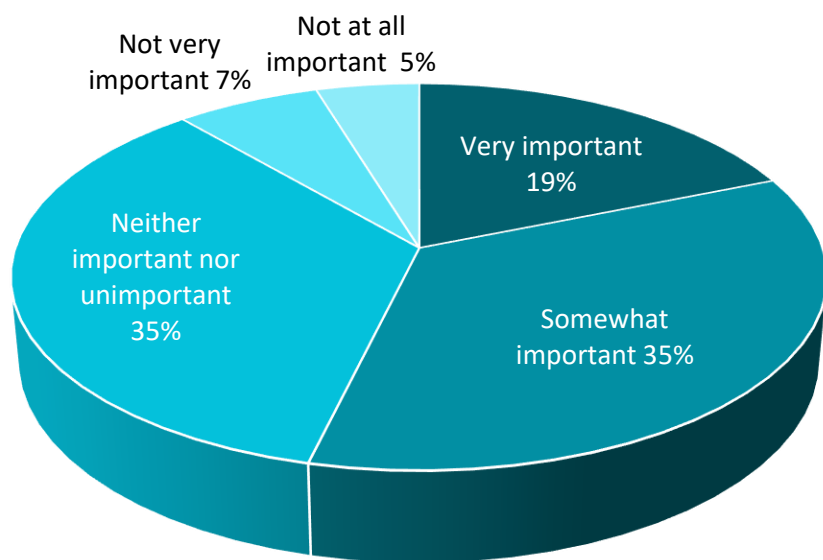
Respondents with access to legal analytics, who **directly** use a product or reports generated from the technology



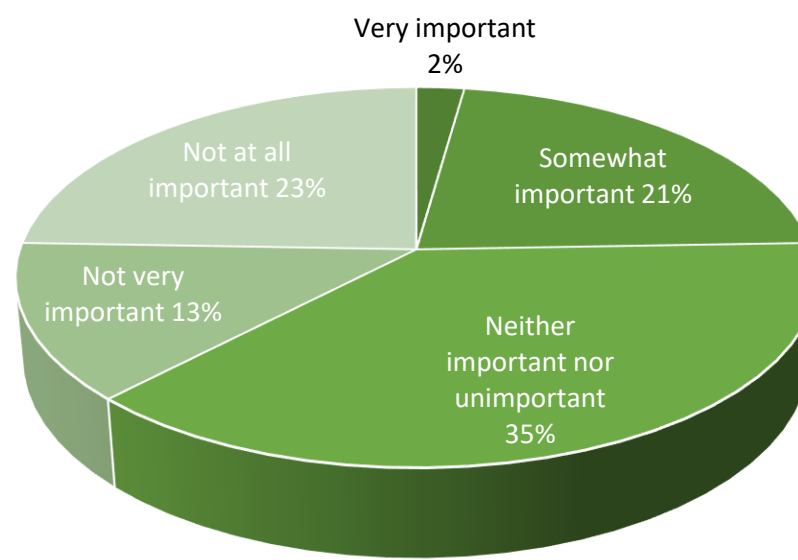
Respondents with access to legal analytics, who **do not directly** use a product or reports generated from the technology

# How important it is that outside legal counsel use legal analytics?

**54% of the respondents who have access to legal analytics technology, stated that they believed it was important that outside counsel use this technology, as compared to 23% of the respondents who do not have access to the technology.**



Respondents **with access** to legal analytics



Respondents with **no access** to legal analytics

Even though their organization does not leverage legal analytics, 23% of the respondents stated that they think it is important that firms should utilize the technology

# Current View of Legal Analytics

**A majority of all respondents agreed to some extent that there is value in legal analytics improving the skillsets and overall efficiency of lawyers while being recognized as an important tool by clients. Conversely, very few respondents agreed that judges looked favorably on the technology.**



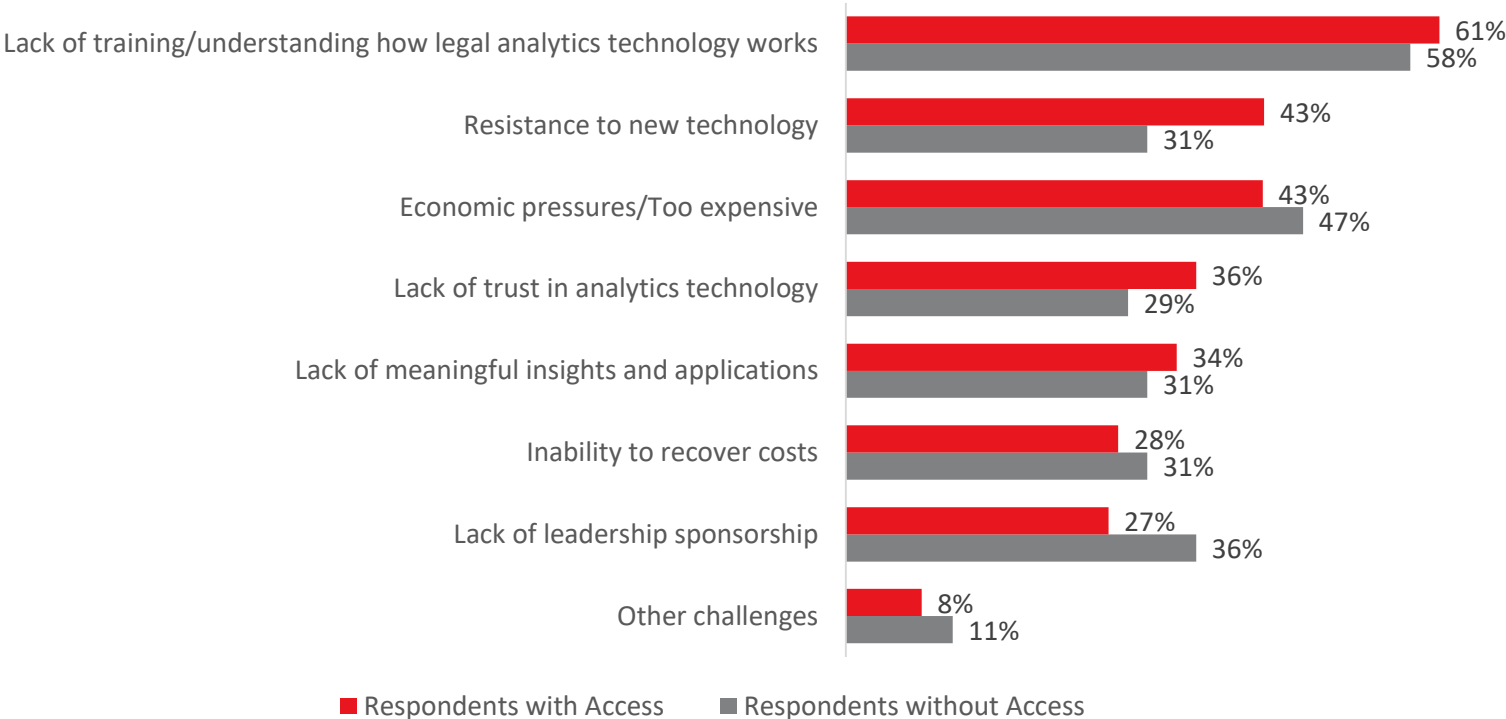
Respondents within organizations that provide legal analytics had higher agreement rates in every category but one (replacing legal professionals) illustrating a more informed understanding of the technology through use and application.

The view with the greatest disparity in responses is around client perception. Client development is the prominent business use for legal analytics among those respondents that have access to the technology.



# What do you think are the biggest challenges to legal analytics adoption at your organization? (select all that apply)

Key challenges identified by respondents that do not have access to legal analytics were very similar to those that have access to the technology.



Understanding how to use the technology and economic pressures were among the highest identified challenges within both respondent groups. While resistance to new technology was third among firms with access to legal analytics and lack of leadership sponsorship is viewed as a challenge for firms that have not implemented the tools.

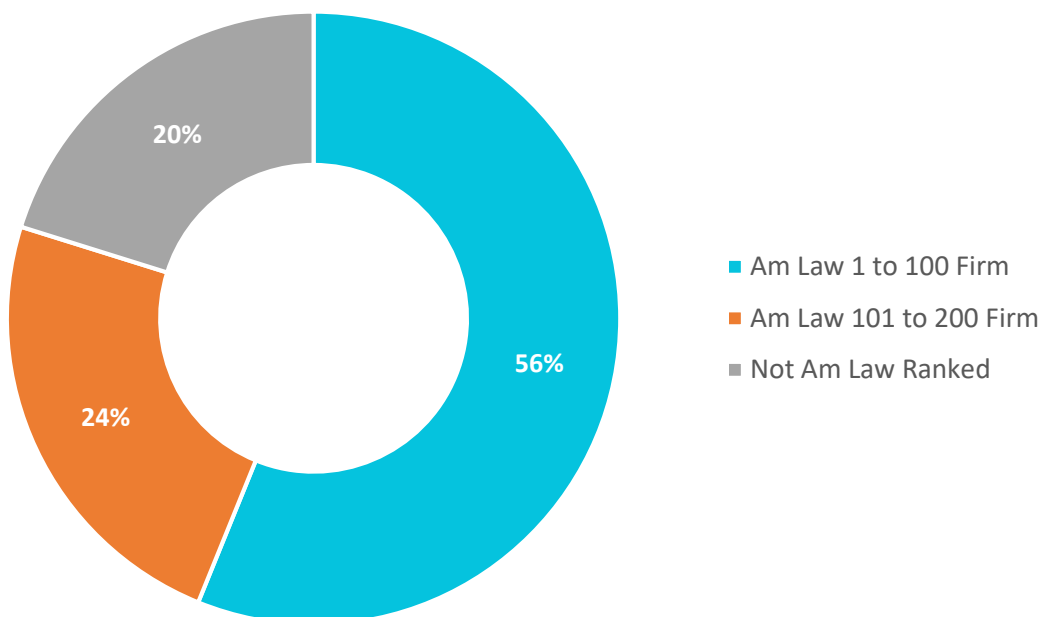
# Respondents from Organizations that Utilize Legal Analytics Technology

70% of the overall survey respondents were from law firms that utilize legal analytics technology.

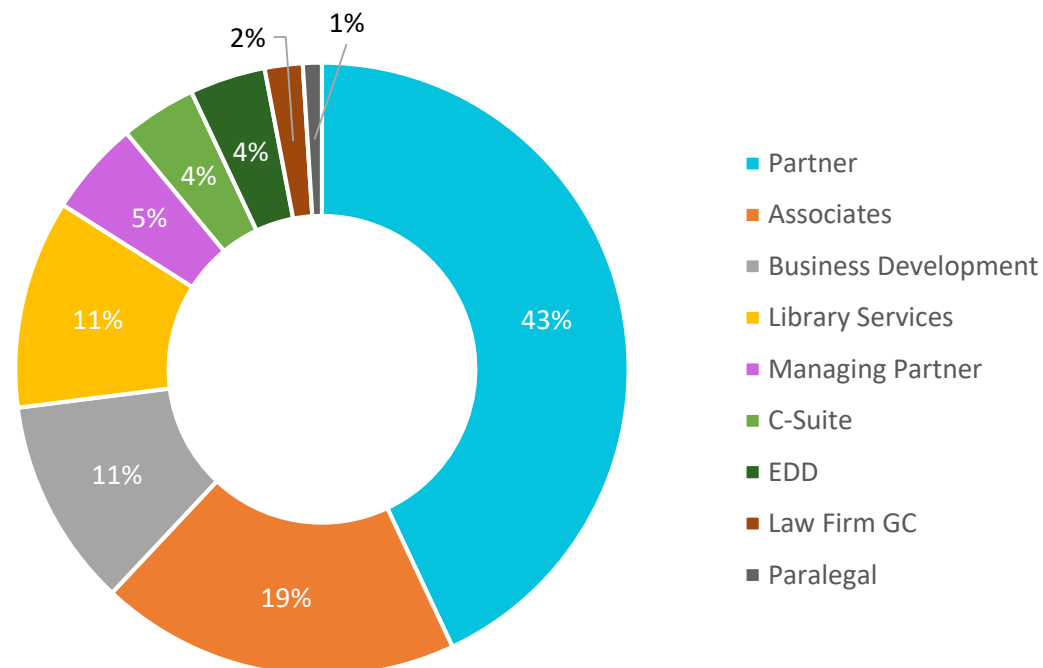
# Demographics of Respondents Where Legal Analytics are Available

**80% of the respondents come from firms listed in the Am Law 200. 69% of the respondents were attorneys.**

By Firm Size



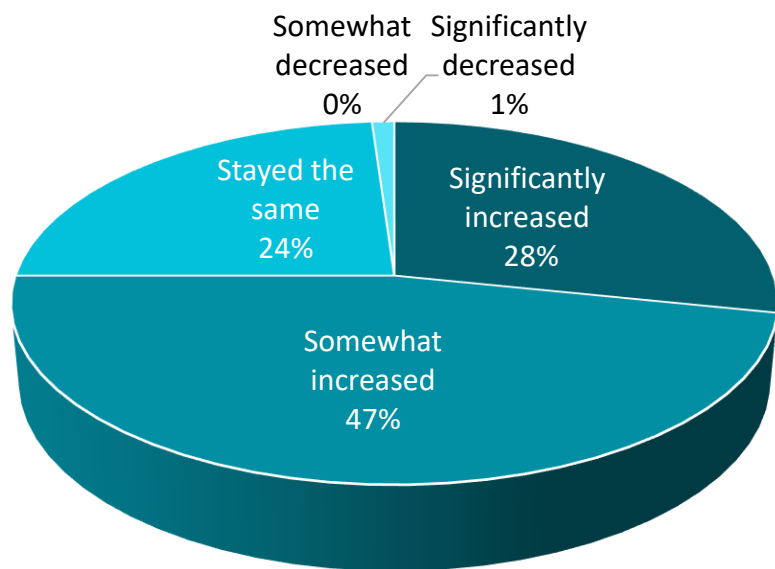
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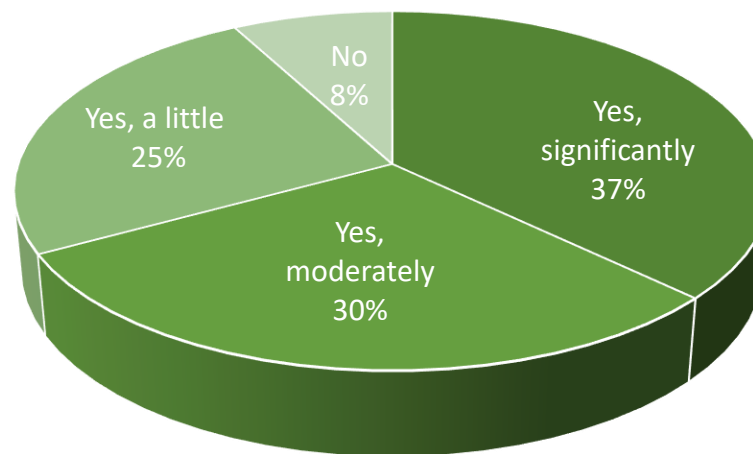
# Use of Legal Analytics

**75% of the respondents whose law firms have access to legal analytics have seen usage within their organization increase over the past 12 month with 92% of the respondents personally planning on increasing their utilization of the technology moving forward.**

Identify your organization's use of legal analytics over the last 12 months



Do you (personally) plan to increase your use of legal analytics in the next 12 months?

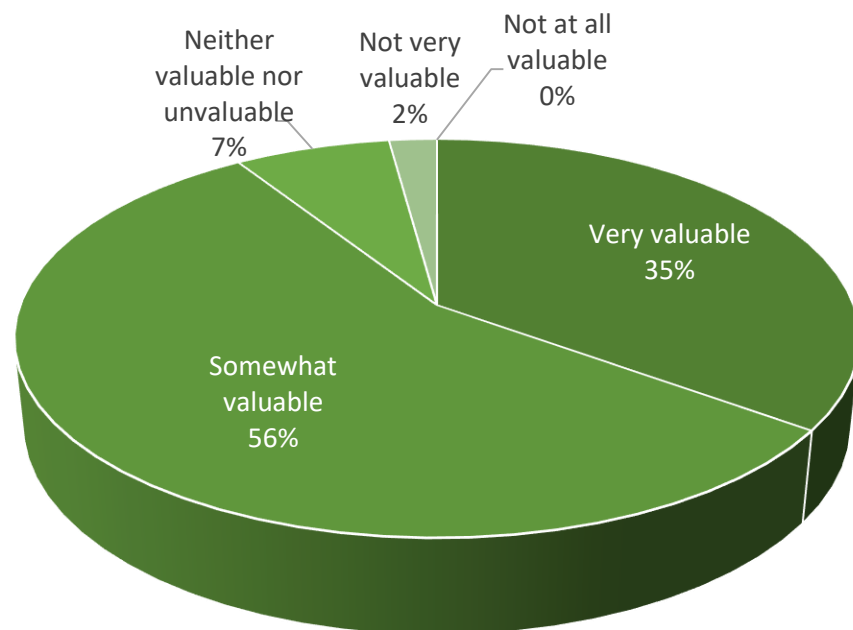


Continued and projected growth in the utilization of legal analytics validates the overall effectiveness of the technology within those firms that have access to the technology

# Value of Legal Analytics Technology

**91% of the respondents with access to legal analytics find that it is valuable to their firm. A majority of users see the technology as instrumental in increasing knowledge and competitiveness while improving overall efficiencies.**

Rank the value of legal analytics to your organization



Identify how legal analytics tools have improved your organization's performance (select all that apply)

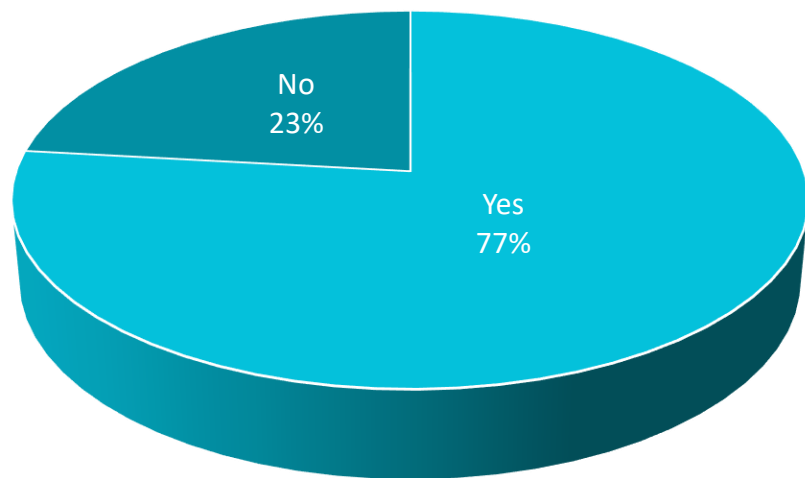




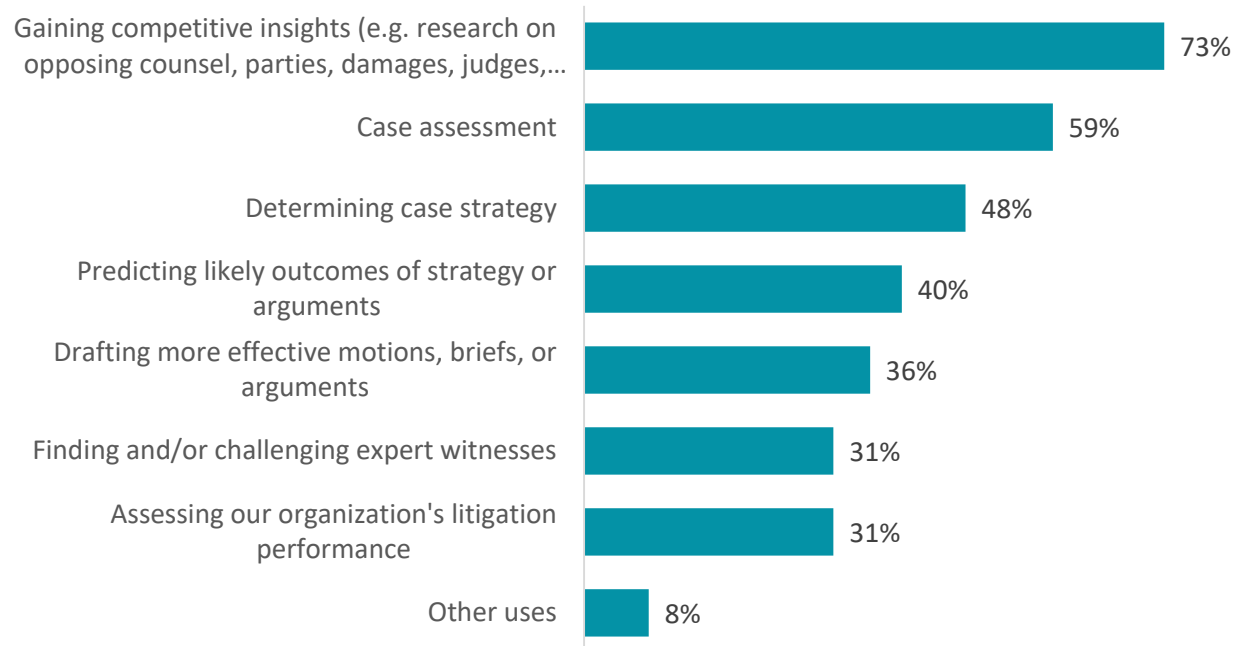
# Use of Legal Analytics for the Practice of Law

**The primary uses for legal analytics in the practice of law is more focused to strategic case analysis and preparation as, opposed to the more transactional-focused tasks and evaluation of internal performance.**

Has your organization used legal analytics for the Practice of Law?



How has your organization used legal analytics for the Practice of Law? (select all that apply)

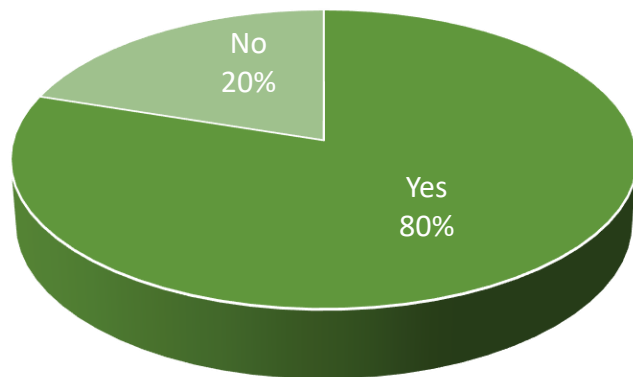


"Other uses" includes contract analysis, eDiscovery, knowledge management, process improvement, resolution strategies and time analysis

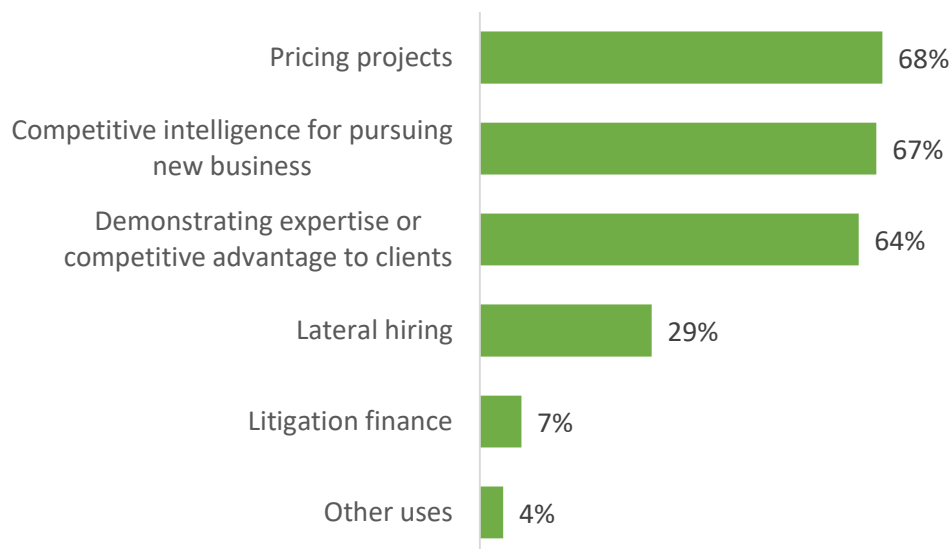
# Use of Legal Analytics for the Business of Law

**Client development remains one of the main business uses for legal analytics.**

Has your organization used legal analytics for the Business of Law?



How has your organization used legal analytics for the Business of Law? (select all that apply)



"Other uses" includes determining product ROI, diversity statistics and law firm financial performance

As previously shown, the perception of respondents who do not have access to legal analytics is that it is not looked upon favorably by their clients, however those who use the technology see *demonstrating expertise to clients* as a top business use.

# Rank how important using legal analytics is to your law firm for each of the below tasks

**Strategic insight, client development and case assessment are among the most important uses of legal analytics.**



# In the future, what is your opinion on whether your firm's use of legal analytics for each of the following tasks will increase, decrease, or stay the same?

**Moving forward, strategic insights, client development and case assessment will remain the most important uses of legal analytics.**



# Respondents with Access to Legal Analytics – Adoption Rate

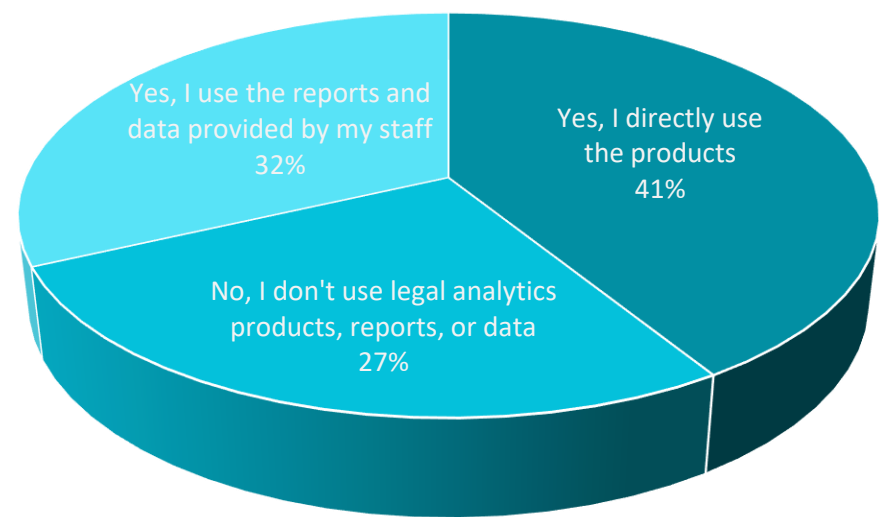
73% of the respondents that work for organizations that provide legal analytics, take advantage of the technology, to some extent.



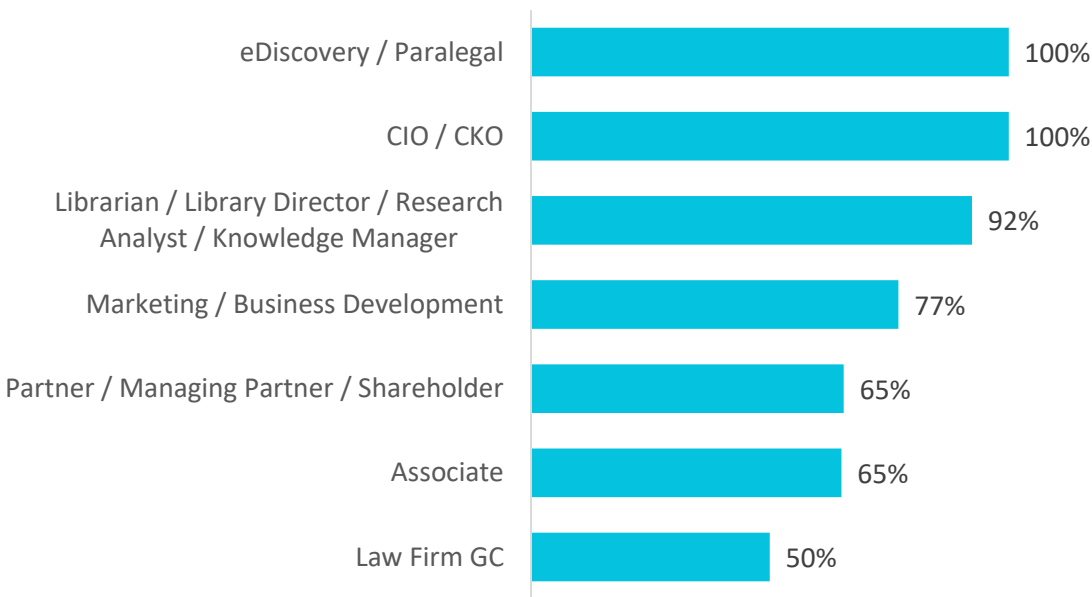
# Adoption Rate for Organizations with Access

**73% of all respondents that have access to legal analytics, utilize the technology directly or through data and reports generated through the technology by staff.**

Do you personally use legal analytics?



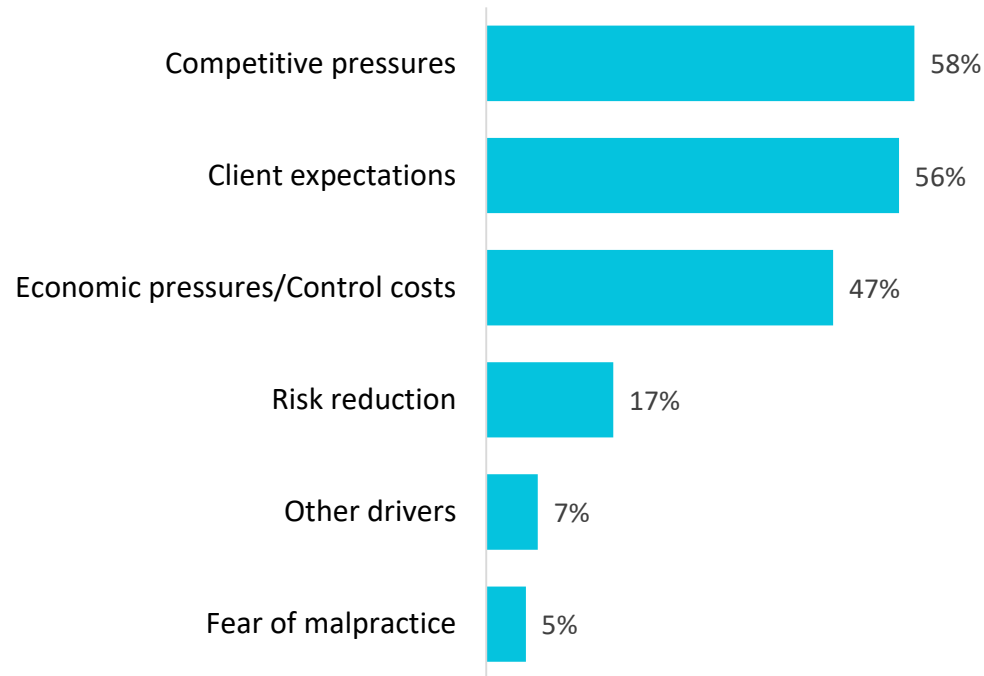
Adoption Rate by Title



Responses include both direct and indirect use of the products. Non-lawyers have an 89% adoption rate within law firms that have access to legal analytics technology.

# What do you think are the biggest drivers of legal analytics adoption at your organization? (select all that apply)

**Competitive pressures and meeting client expectations are the biggest drivers for adoption for organizations providing the technology.**



Adoption of legal analytics within law firms that have access to the technology is client driven in terms of remaining competitive and controlling costs. Fears around maintaining professional responsibility (risk and malpractice) are not a significant concerns currently.

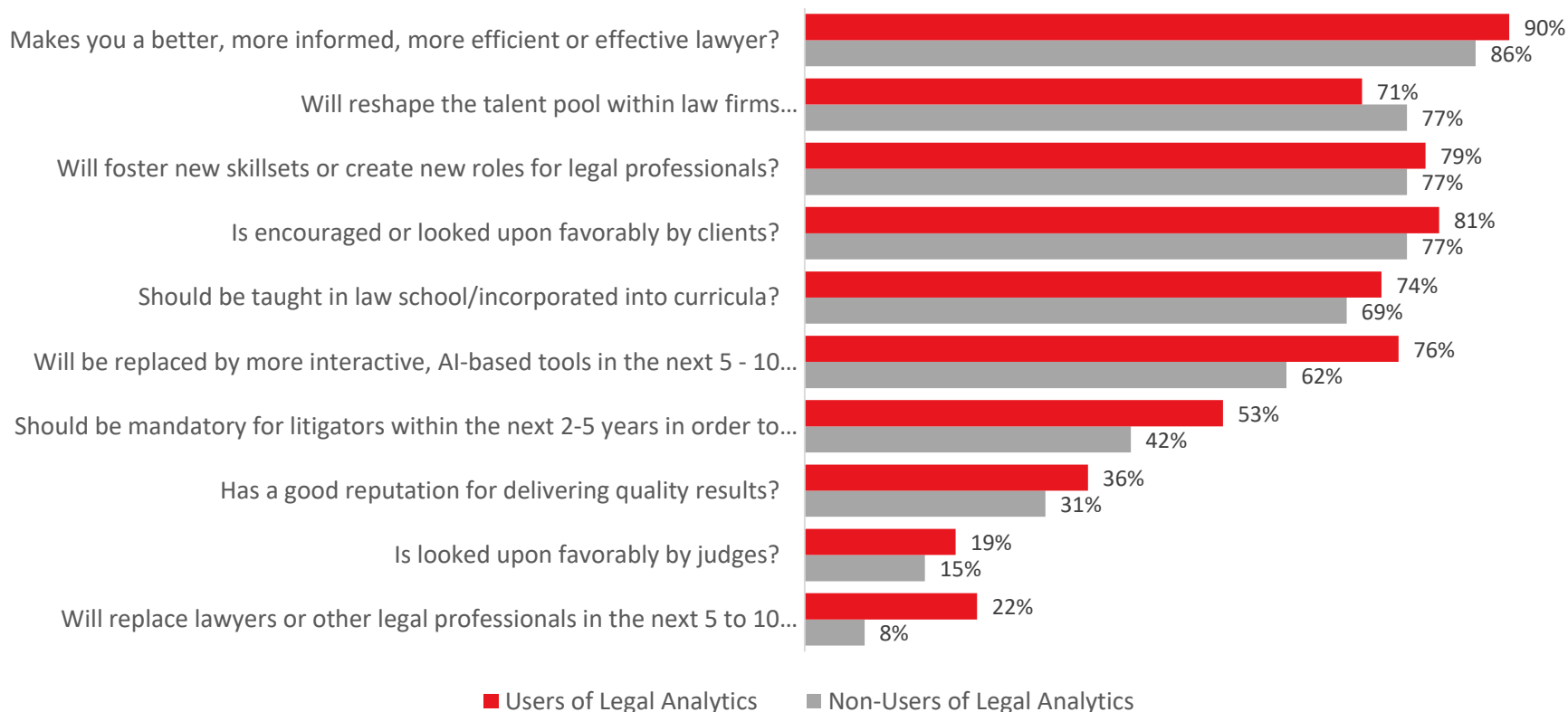
“Other drivers” includes the desire to leverage the best resources to enhance client services, quality of work product and streamlining the business.

*“We want to win.”*

– Partner who personally uses legal analytics

# Current View of Legal Analytics – Users vs Non-Users

**Within law firms that provide access to legal analytics technology, the disparity of views is not as prominent between users and non-users as compared to the disparity of views between respondents whose firms provide technology and those that do not (see page 18). This validates the effectiveness of the technology throughout the law firm, regardless of utilization.**



Both users and non-users within law firms (9/10) feel access and utilization to legal analytics makes them a better more informed lawyer. This contrasts with the 55% in agreement at firms that do not have access to the technology

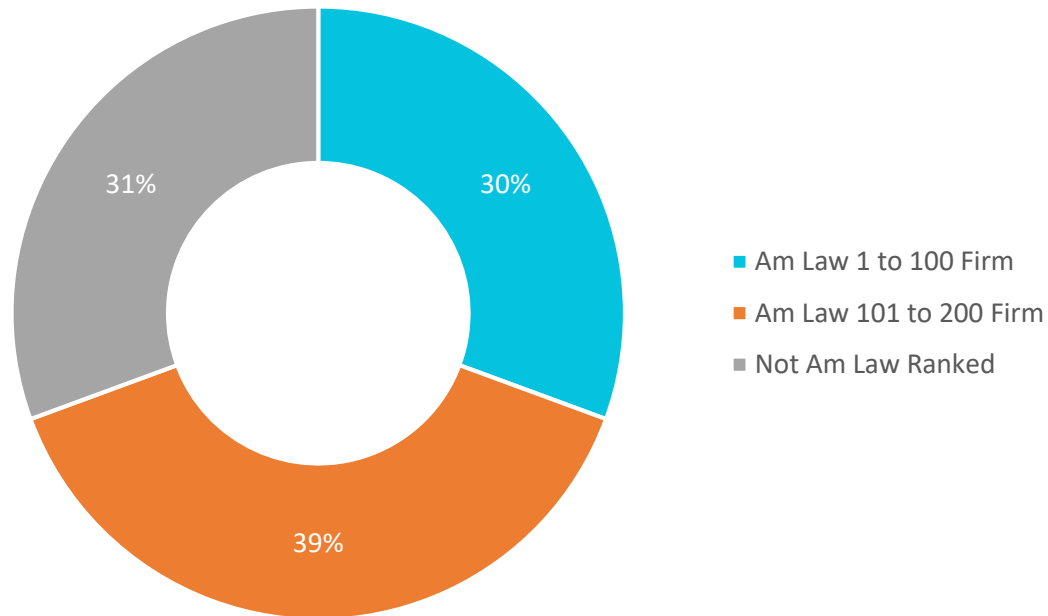
# Respondents without Access to Legal Analytics Technology

30% of the survey respondents were from law firms that do not provide legal analytics technology.

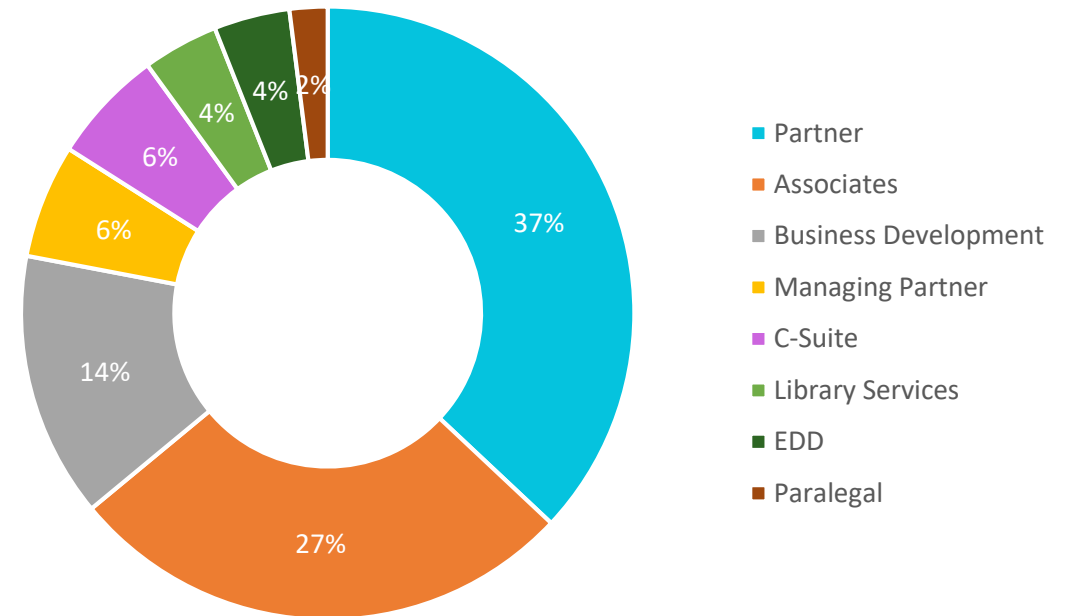
# Demographics – Organizations where Legal Analytics are not Available

**69% of the respondents come from firms listed in the Am Law 200. 70% of the respondents were attorneys.**

By Law Firm Size

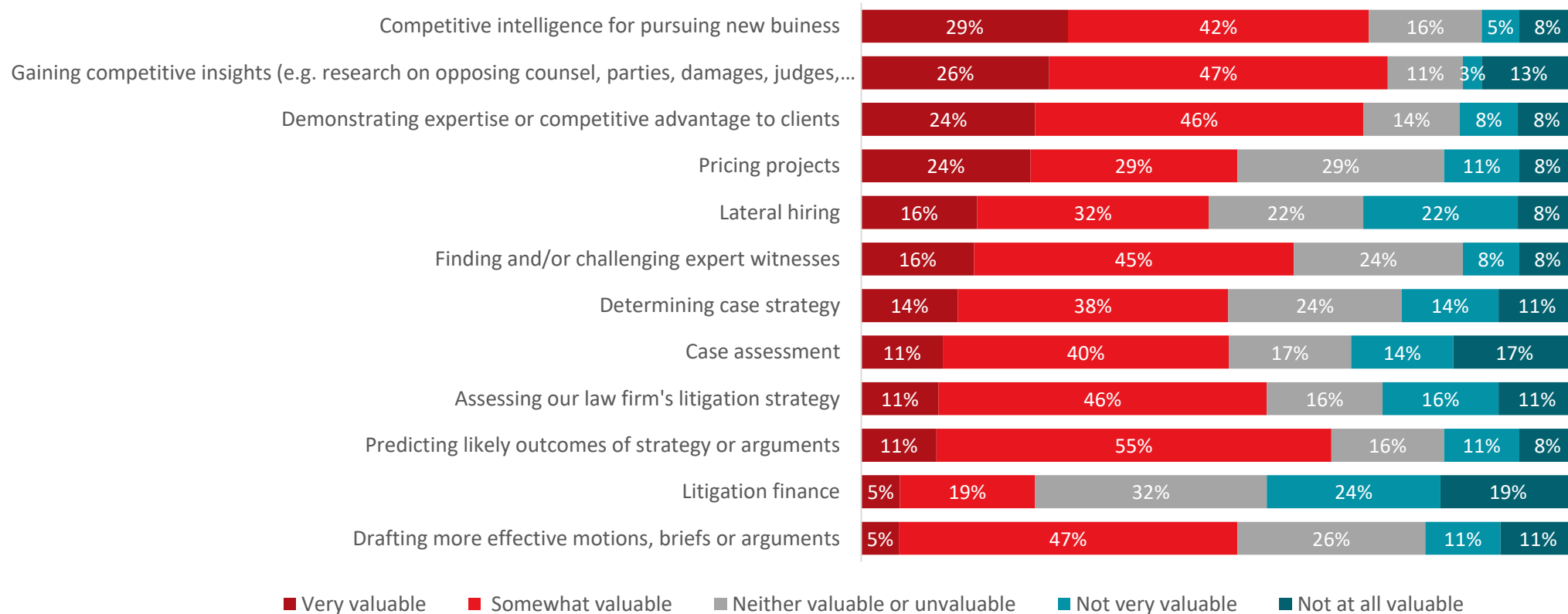


By Title / Function



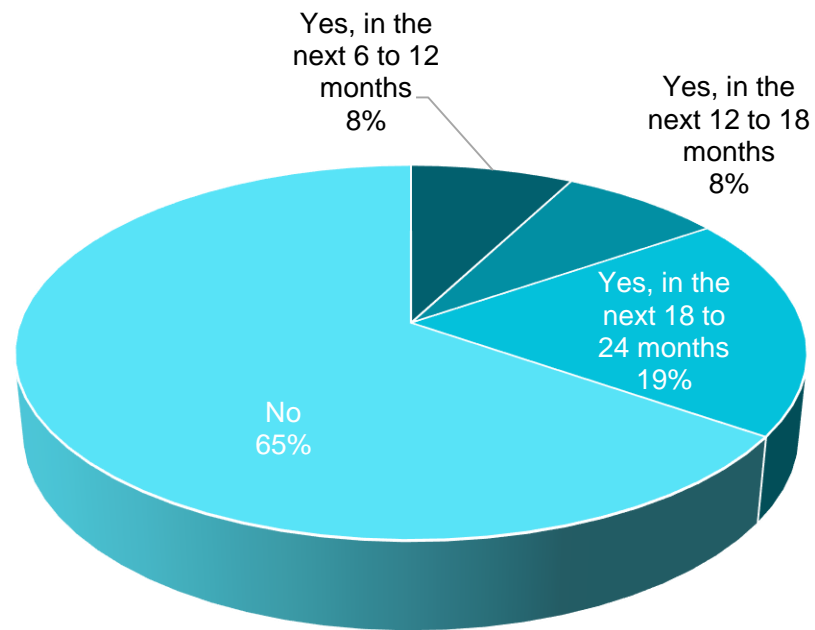
# Rank how valuable using legal analytics would be to your organization for each of the below tasks (select all that apply)

**Similar to the respondents that have access to and use legal analytics in the practice of law, the potential value to respondents without access to the technology is more focused to strategic case analysis and preparation as opposed to the more transactional-focused tasks.**

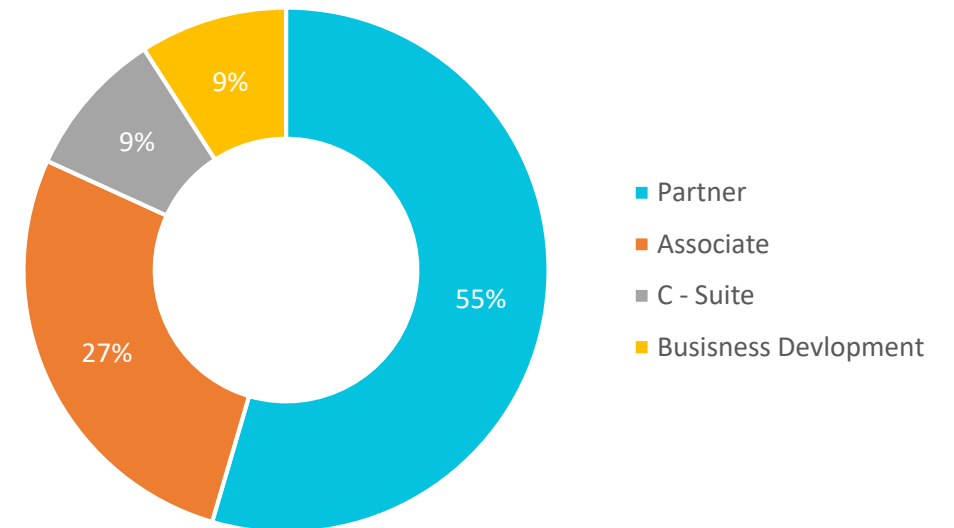


# Does your law firm plan to invest in legal analytics in the future?

**Despite recognizing some value in legal analytics, only one-third of the respondents from firms that do not currently utilize the technology, anticipate that their firms will be implementing the tools within the next two years.**



## Of those saying “no” to future investment in legal analytics





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#### **Survey Methodology**

To better understand how law firms use legal analytics in the business and practice of law, LexisNexis partnered with ALM Intelligence to field a survey on the subject matter. The survey conducted as a research study by ALM Intelligence, with collaboration from LexisNexis, in December 2019, captured opinions from 163 large law firm (50+ attorneys) legal professionals.

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