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Recession-Proof Your Law Firm: Legal Tech and ROI

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Law firms across the country are buzzing, and it feels suspiciously like 2008. The word “recession” is being whispered in hushed water-cooler conversations. Many firms are looking to optimize their operations and hunker down in anticipation of lean times.

Weathering the storm will be challenging, but the law firms that come out strongest on the other side will be the ones that have figured out how to optimize their performance as part of their recession-proofing strategy. That optimization begins with a strong foundation of legal technology.

To start, take a look at your current legal technology stack. Are you getting everything you need from it? If not, consider what tools will give you the best return on your investment. Choosing the right legal technology tools now can help you save time and cut costs, ensuring that your firm can operate efficiently.

In this article, we’ll cover how to determine the ROI of your legal tech investment and what your firm should focus on as it prepares for a potential recession.

How do I calculate ROI when it comes to legal technology?

Return on investment (ROI) is one of the most important performance metrics that your law firm tracks. When your firm puts money into a project or investment (like updating its legal technology), measuring ROI lets your firm understand the value of the investment. Basically, it tells you whether it’s a winner or a loser.

ROI is a bit easier to calculate in some areas (for example, [digital marketing](#)) than in others. When it comes to evaluating your firm’s ROI for legal tech, it’s more involved, and you’ll need to consider several factors.

Start by thinking about what task you want to make easier (or eliminate) or what cost you’re looking to reduce. Are you trying to lower the time that lawyers spend on intake? Are you trying to expedite your billing and collections process? Or are you looking to lower data storage costs by moving to the cloud?

Once you have a firm grasp on what you want to achieve with technology, start evaluating the following factors to evaluate the ROI.

- **Efficiency and speed.** How will legal technology help your lawyers and staff handle workloads?

How can the tool help your lawyers offload non-billable tasks? How long does it take your lawyers and staff to complete these tasks? How long will these tasks take once you implement a legal technology solution?

- **Convenience and automation.** What routine tasks do your lawyers and staff currently do? Which of those tasks could be handled by automation? How [easy](#) is it to implement the solution? How willing is your team to embrace new technology?
- **Costs.** How much does the legal technology cost? How long will it take before everyone on staff is comfortable with the new legal tech? What is the cost of making no changes?

Calculating the ROI of legal tech is somewhat subjective and deeply personal to your law firm and its lawyers and staff. As noted above, the important components to keep top of mind are saved time and saved costs weighed against the cost of the tech and speed of deployment.

What's the best way to figure out whether legal tech is working? We recommend asking your lawyers and staff first. They know best what features they use daily and which ones aren't worth the time investment.

What legal technology should I prioritize in light of the recession?

We recommend prioritizing legal technology that allows lawyers to minimize non-billable time as well as tech that focuses on clients and client relationships. Technology in each of these areas prioritizes money coming into the firm, whether through direct billing or ensuring the longevity of a client relationship.

Technology can also help improve staff morale, as it eases their administrative workload and reduces the need for repetitive work — two things that bog lawyers down and keep them away from their core work. Lastly, if your firm hasn't already, moving to the cloud is a way to both save money and heighten security.

Automation

Work smarter, not harder. Your lawyers' time is their most important asset, and your legal technology should help them prioritize [billable tasks](#). Good legal technology helps lawyers rid themselves of mundane or repetitive tasks through workflow and document [automation](#).

Legal technology can also upgrade the way your firm's lawyers track time, increasing captured billable time (and thus your firm's revenue). An organized and automated system will help to ensure that no billable hour goes untracked. Many legal productivity tools remove the tedium of billing, so your lawyers can spend less time writing descriptions and more time writing briefs. The removal of tedium is also good for morale and general [employee retention](#).

Client experience

Good legal technology also takes care of your clients. When thinking about ROI in this regard, it's less about the dollars and more about ensuring that clients are satisfied and sticking around. A healthy client relationship can lead to years of business.

[We recommend legal technology](#) that streamlines client intake, allows you to communicate with clients easily and through different means, and has a secure client-specific portal that allows your

lawyers to share documents with clients directly and for your staff to send bills. Keeping clients around during a recession is key to keeping your firm running.

Move to the cloud

Your firm may have hesitated to move to the cloud before, worried about the amount of effort and security. However, the benefits of using a [secure cloud infrastructure](#) far outweigh the risks.

If you're concerned about saving your firm money, cloud-based infrastructure can reduce service and storage costs, especially if you need to scale up and down unexpectedly to meet fluctuating demand.

How do I present the idea of new technology to my firm during this time?

Show law firm leaders the numbers while also focusing on the intangible benefits of better technology. The legal space is becoming more competitive every day, and legal technology is one of the best ways to stay at the top of the game.

Intelligent technology that helps your lawyers work smarter and spend more time on billable hours is good for your bottom line. Your law firm will benefit from their heightened engagement, and clients will benefit from better strategies and advice. The right legal technology will also increase staff and client satisfaction, an important consideration regardless of how the market is doing.

If you're interested in [legal technology](#) that can help your firm increase its billable output, strengthen client relationships, and streamline your lawyers' workload, [get in touch](#).

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