



WHITEPAPER

Legal Tech Report:

How UK SME law firms can overcome the top five operational challenges



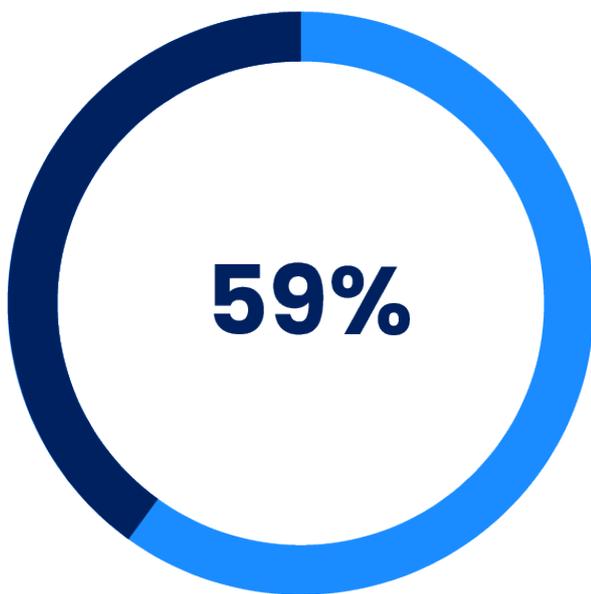
How law firms can overcome the top five operational challenges

To help us get under the skin of SME law firms in a post-pandemic, hybrid working world, we asked practices to share with us their key operational challenges –the processes and tasks that are most problematic to the running of their firm.

The results have enabled us to do a deep dive into the role that legal tech can play in overcoming the key challenges identified by SME law firms.

Read on to discover the [digital business habits](#) that firms should adopt to address these challenges.

Managing client expectations and communication is SME law firms' number one challenge

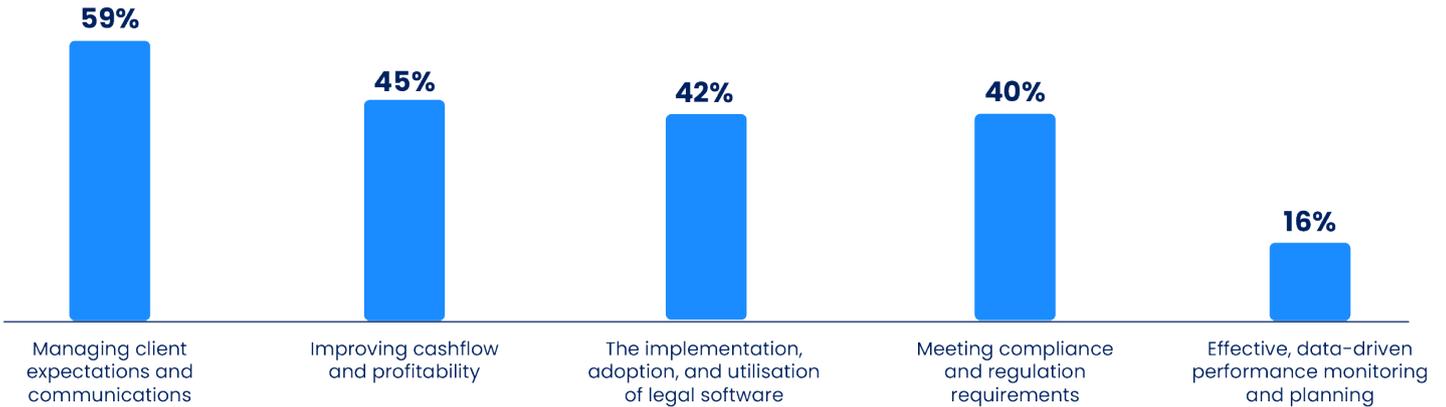


59% of SME law firms ranked managing client expectations and communication as their top operational challenge

Coupled with the results from [LPM's 2022 Frontiers report](#), it's clear that UK law firms understand the possibilities and benefits of implementing technology to help with their operational challenges.

However, it's adapting and refocusing people's behaviours and habits that is a key obstacle to maximising value from legal tech investments, which will then help to better manage the other organisational challenges faced on a daily basis.

Can you rank by priority which of these you foresee as the top challenges your law firm will face in 2022 – 2023?



How to overcome the top five operational challenges faced by UK law firms

1. Managing clients' expectations and client communication

Ranked number one and considered a key challenge by 59% of firms, managing the logistics of collaborating with clients isn't easy. However, it's clear firms are willing to invest in the client-facing tools to help ease the administrative load and enhance client service to improve satisfaction because law firms stated, in LPM's Frontiers report, that [client management tools](#) were their priority for their next tech investment.

The challenges law firms had throughout the COVID pandemic highlighted how difficult it was to manage case digitally and scale to meet demand, which prompted clients to ask and expect better from law firms. Having experienced excellent customer service from many other sectors such as online shopping and food delivery, the benchmark for quality service is set incredibly high.

Legal software helps to:



Speed up case progression - using a case management solution, automate the repetitive tasks to streamline the process and enable more timely and reactive communications. Similarly set up electronic signatures and digital data capture forms to speed up the onboarding process.



Provide transparency - enhance communication by sending text messages as well as emails, provide real-time case progression updates in a web portal and share documents and files online for instant access to improve visibility so the client feels in control.

2. Improving cashflow and profitability

Almost half of SME firms cited cashflow and profitability as being a key operational concern.

There are two obvious solutions to improving profitability; either grow your client base and increase the volume of work or reduce waste to ensure you're not losing money unnecessarily.

James Clear, author of [Atomic Habits](#), explores the impact of improvement by subtraction and believes, 'eliminating mistakes is an underappreciated way to improve'. This mindset looks at doing less of what doesn't work, rather than focusing on what does.

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“Eliminating mistakes is an underappreciated way to improve. In the real world, it is often easier to improve your performance by cutting the downside rather than capturing the upside.”

James Clear, author of Atomic Habits

That idea is connected to the well-known continuous improvement methodology Lean, which focuses solely on identifying and eliminating wasteful activities that don't add value to the client. For your law firm that means identifying processes that slows down case progression, reduces employee productivity, or hinders the accuracy or accessibility of data for clients and staff.

With the right digital foundations and solutions in place you can:

- streamline operations, improve efficiency, and increase productivity across your team
- better monitor performance to reduce wasteful processes that are impacting profitability
- maximise your investments in both your employees and your technology
- free up your teams to focus on higher value work, leaving the software to automate and digitise everyday tasks



3. Adoption of legal technology

Having a digital-first strategy sets the foundation for all subsequent successful business habits.

This is likely why 42% of SME firms believe adopting technology is a key operational challenge because it will have the biggest impact on performance and competitiveness.

57% of legal professionals believe firms bigger than theirs are the biggest threat to their business and utilising technology is a big equaliser in allowing SME firms to better compete on price, volume, and service.

Utilising technology is the simplest way to implement better habits and eradicate inefficient ones. Legal technology is both accurate and effective - but investing in the tech alone won't reap the returns.

Your people are key. Lack of team buy-in to legal tech is often the root cause in not establishing value from your software investments.

Changing you team's habits



The first step to changing people's habits is understanding their current ones. How are they currently completing their tasks? What is a bottle neck or pain point for them? What ideas do they have for improving the process? Document the existing processes and feedback to help formulate a plan for improvement.

4. Ability to meet compliance and regulation requirements

Digitally transforming your firm's operations has a crucial advantage when it comes to improving compliance. With access to the right data your COLP, COFA, and management team gain better visibility of the firm. And with better visibility it's easier to spot trends and potential risks.

[Practice and case management software](#) centralises data from across the firm providing the performance analysis you need to stay on track with compliance requirements and makes PII and accreditation proposals simpler to complete.



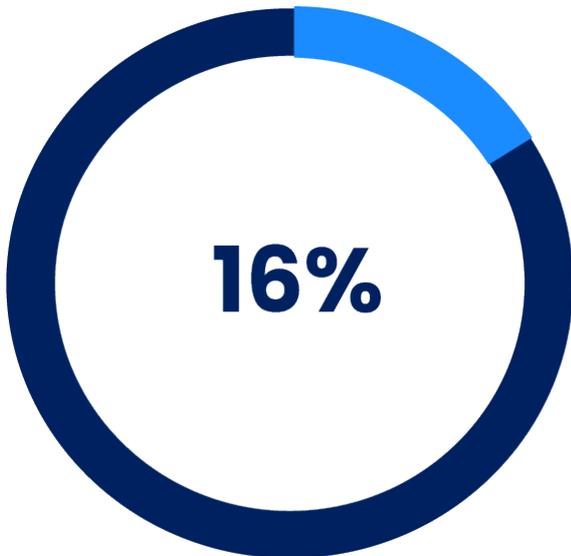
Reduce the cost and time it takes to remain compliant by providing teams with digital tools that help to incorporate compliance tasks into daily workloads. This helps to stay on top of tasks, be more consistent with best practices, and reduce errors.

5. Effective, data-driven performance monitoring and planning

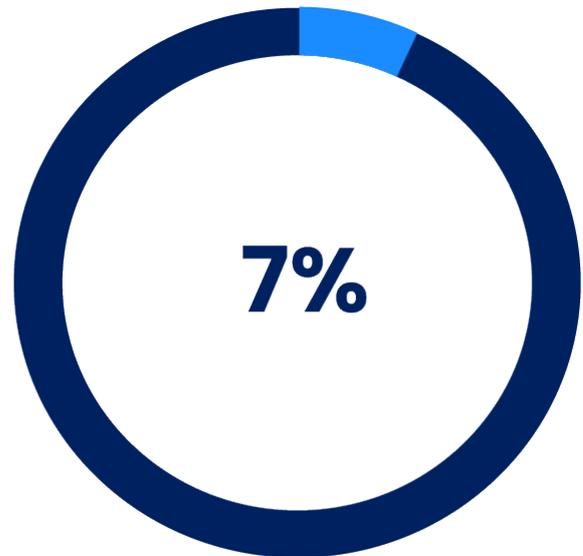
Only 16% of firms identified lack of visibility for effective planning a primary challenge for this year, so either: -

i) firms have great access to data and are effectively monitoring performance and planning ahead, or (and the more likely reason)

ii) they don't see this as a priority and therefore not a current challenge.



16% of SME law firms ranked effective, data-driven performance monitoring and planning as their top operational challenge



7% of SME law firms plan to invest in business intelligence technology in 2022

For many legal professionals, their focus is on the here and now to ensure they're maximising their billable hours and progressing current cases. Law firms are prioritising investing in technology that helps them complete legal work quicker, manage clients, and optimise operations – it's perhaps why only 7% of firms are looking to invest in business intelligence tech this year.

Legal technology provides real-time data

The silver lining to implementing legal software solutions and better utilising digital tools is that they will provide firms with the immediate timesaving benefits they need, but in the process, digitalising operations will provide practices with the access to accurate data for improved analyse – key for those firms looking to remain relevant and competitive.

Overcome operations challenges with legal technology

Practice and case management software provides the digital tools and centralised platform to build a strong foundation that enables effective business habits. With the right tech in place employees can utilise the software to be more productive and provide enhanced client service. With the fundamental operations running smoothly with legal tech, you and your team can focus on driving forward and meeting goals.



Transform your law firm

The all-in-one Osprey Approach solution combines comprehensive case management, powerful practice management, legal accounting, and client management tools, so your firm can run a streamlined and profitable operation that exceeds client expectations.

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