



Building a Scalable and Sustainable Legal Practice



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Welcome to our January newsletter!

Client expectations and working practices continue to evolve rapidly. For example, close to 80% of clients now see the option to **work remotely** with a lawyer as an important factor when hiring one. This is a four-fold increase in as many years. Daunting as this may feel, there are actions that every legal team can take to achieve sustainable success in a continually shifting world. Doing so requires fine-tuning services to meet client needs.

1. The foundation: Relevance and Sustainability

Success ultimately hinges on two key requirements:

- a. **Relevance:** means being recognized by current or prospective clients for offering solutions to issues that matter to them in a way that offers value. By continually adapting to the preferences and expectations of clients, law firms can deliver the value clients want, for example accepting a range of payment methods and plans.
- b. **Sustainability:** means maintaining relevance in a way that ensures a regular and enduring need for your services combined with the capability to deliver them profitably. A starting point for achieving this is to look at the source of business that you rely on to keep your practice profitable—in other words, the type of legal services you provide to clients. Another way of looking at sustainability is in terms of revenue streams. Firms tend to set themselves up to focus on either ongoing legal requirements or one-off distress purchases. But sustainability can be optimized through offering both.

2. Building a Scalable and Sustainable Legal Practice

- a. **Client and Business Risk:** A diversity of work sources makes for a balanced and financially robust practice. It might be beneficial to expand services to continually meet a client's needs, perhaps by offering legal advice in two or more practice areas or forming a partnership with another firm. Over-reliance on a small number of major clients also carries serious risks. It is impossible to protect against events like a change of ownership or a key client leaving. A proactive way to ensure that your firm doesn't run into this risk is to leverage referral marketing. This is a sustainable, and cost-effective tactic to drive more clients to your firm with a few processes put into place. You can have a referral program at your law firm running in a short amount of time.
- b. **Scale, Technology and Trust:** Sustainability also requires that a law firm's processes are scalable. Global surveys indicate that the average lawyer billed less than three hours out of an eight-hour day. Legal practice management and client management solutions can empower lawyers to work more efficiently, increase billables, and automate tasks - from client intake all the way to billing.

A simple step to generate trust is to show clients that you value their loyalty. Offer free value-add services as a "thank you," without being asked - the perceived value to the



client will always be higher than the true cost to the firm. Every opportunity should be taken to create and enhance this increasingly precious currency.

Trust can also be established by giving clients peace of mind when handling their highly confidential matters. Take the time to make clients aware of the security measures and protocols in place to protect their data. For instance, bilabl is compliant with global data guidelines, boasts a dedicated security team, and continually monitors for potential vulnerabilities—making it one of the most secure legal software solutions on the market. Lawyers can also provide services in a way that’s accessible to clients and tailored to their needs. Again, flexible payment plans and online payments can make a powerful difference. So can offerings that add convenience, like online intake forms that streamline the client intake process and make it easy for clients to get started with your firm. Technology is a key component of any modern law firm. Clients are looking for simple actions like visibility, transparency, speed, ease of use, and seamless communication. When it comes to communicating with lawyers, an increasing number of clients are turning to digital tools.

Almost two-thirds of clients now prefer video conferencing during a first meeting or consultation. Similarly, other forms of communication have increased in popularity—including text messaging and mobile apps.



Sustainable growth requires a low-cost base as well as an efficient delivery model that is strongly aligned with client outcomes. The management of resources needs to be streamlined and meet your client's needs in terms of capability, cost, and value. The biggest overhead of any legal business is its people. It is important to consider the revenue stream and determine how much “business as usual” work is required to ensure it covers the fixed overhead of hiring the relevant legal expertise. Hiring lawyers first and putting them and the firm under pressure to create demand for their services is a common, but highly risky, strategy.

- c. **The Hidden Dangers of Pricing:** There is no quicker and more emphatic way to make or break a relationship than through pricing. Levels of price sensitivity vary from client to client and matter to matter, but one constant thing is the need for price certainty. A great deal of legal work has inherent uncertainty, but this shouldn’t prevent you from taking the initiative in identifying what you can be certain about and what you can’t. There are always uncontrollable factors related to posing parties or uncertainty about the volume of information. Even so, take time to provide certainty where you can and minimize the number of variables, with suitable and fair caveats and assumptions. Elevate payments with innovative offerings.

As an expert, you should be comfortable to accurately predicting costs so the firm should take the initiative regarding pricing. Once a piece of work has completed its scope, a firm should be proactive in offering pricing predictions for the next stages. Many new model legal providers are extremely rigorous in this approach and go further in offering more innovative pricing structures, such as subscription-based arrangements, fixed fees, or ranges for a defined scope of work over an agreed period.



Conclusion



All of the above can help make legal services more affordable for clients who may not have the wherewithal to pay for a legal fee all at once— while also having the added benefit of increasing collection rates for law firms. Moreover, online payment solutions allow clients to pay their bills with tremendous ease, no matter where they are. It shouldn't come as a surprise, then, that

online payments are seeing rapid adoption.

More volatile work streams can be resourced differently. For example, an of counsel arrangements provide scalable resources for dealing with fluctuations in the type or quantity of work. While it is important to ensure that the firm's brand and service standards aren't compromised, this can be mitigated by effective oversight and project management from the key contact within your firm.

Ensure success with the right service delivery model in the words of Marieke van der Pijl from ACSV Legal:

"We now can handle a larger volume of matters due to the efficiency gains from technology. Using bilabl has enabled us to grow our team, identify our priorities, and find better solutions in terms of people and workflow. This ultimately allows us to not only keep costs lower for our clients but also provide the engine for scalability and in doing so provide a higher level of service to our clients."



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