

THE 2020 ADERANT BUSINESS OF LAW AND LEGAL TECHNOLOGY SURVEY

GLOBAL EDITION

Aderant





EXECUTIVE SUMMARY

For its fourth consecutive year, the 2020 Aderant Business of Law and Legal Technology Survey set out to capture data about the greatest challenges law firms are facing: technology use, strategic planning, and performance efficiency. The 2020 Survey had 33% more respondents than in 2019 and a greater response from EMEA (Europe/Middle East/Africa) and APA (Asia/Pacific/Australia) regions, translating to a more thorough representation of law firms globally.

Additionally, the 2020 Survey provided an unprecedented opportunity to measure how law firms, specifically within their technology and finance departments, had weathered the unique challenges presented by the COVID pandemic. The survey examined how prepared law firms were for the sudden shift to work from home catalyzed by the pandemic and analyzed firms' projections for future impact on their business priorities. Previous surveys were typically conducted in April and May, but the 2020 Survey was conducted in August and September. This shift provided an opportunity to fully assess how the COVID pandemic affected respondent law firms six months after the initial March 2020 lockdowns.

Surprise! Law Firms Were Prepared for Pandemic Business Transformation

Law firms have been endlessly criticized for being resistant to technological improvement and innovation. However, the survey showed that firms were better prepared for the COVID shift to fully remote work than anyone would have expected. Most firms said they were either completely or somewhat prepared, and very few firms said they were somewhat or completely unprepared. This resilient transformation and business continuity are testaments to the foresight and quick action of both law firm leadership and IT professionals.


Future Technology and Process Improvement Spending Will Increase

Based on the premise that COVID has forced firms to change their business priorities for the next three to five years, respondents said the largest areas for increasing investment in the coming years were software, hardware, and process improvements. Additionally, law firms will be reevaluating the need for real estate/office space since so many employees are effectively working from home. The survey found that firms will be likely to maintain both their current level of M&A activity and employment levels of timekeepers and non-legal professionals.

Operational Efficiency and Tech Adoption Persisted as Top Challenges

When tasked with naming the top three challenges to firm operations, respondents selected Operational Efficiency as number one and Technology Adoption as number two; both challenges were consistently ranked as the top two in the past three surveys. If firms still met with resistance on efficiency and tech during a pandemic where everyone relied upon tech to keep business going, it's clear these problems are intractable and built into the bedrock of law firms. The pervasiveness of these difficulties shows the depth of the obstacles law firm finance and technical teams face.

Cybersecurity and Retaining Business have now overtaken Pricing Pressure and Change Management for the third and fourth top challenge slots. Pricing Pressure and Change Management were fifth and sixth respectively in 2020. Change Management did notch up to 27% in 2020, a 5% increase compared to 2019's, likely reflecting the drastic changes that firms experienced due to COVID.



Efficiency and Collaboration Priorities Drove Tech Adoption

In 2020, law firms employed “go-to” solutions which would have the most positive effect on their efficiency. The survey found that Document Management, Financial Management/Enterprise Resource Planning (ERP), and Business Intelligence (BI) technologies had the most impact of all applications leveraged by law firms.

Collaboration was key as firms strived to facilitate both external and internal communications in a work-from-home world. Pandemic conditions enhanced the appreciation for both external and internal collaboration tools necessary to ensure sufficient communication, data access, and transparency. Document Management was valued the highest as a collaboration tool, and Financial/Practice Management was the most “wanted” of all unadopted technologies.

Firms Struggled with eBilling and OCG but Flipped Invoices Incrementally Faster

The survey respondents named eBilling Requirements (54%) and Complying with Outside Counsel Guidelines (OCG) (43%) as the two most difficult aspects of law firm billing and invoicing. Compliance has always been a challenge for firms, but with decentralized operations and people working from home, manual processes for billing and complying with client guidelines were ripe for automation.

The 2020 results also showed a modest increase in how many firms successfully completed the prebilling/billing process in one week or less, illustrating an improvement in efficiency. Additionally, the 2020 data indicated no correlation between a firm’s size and its demonstrated speed to publish invoices.

Firms Were Captivated by the Cloud

Largely motivated by the pandemic and work from home, moving to the cloud became a priority in 2020. Firms ranked the top five cloud technologies they already had as Secure External Collaboration Portals/ Extranets, Portals/Intranets, eBilling, Document Management, and Time Capture. When asked which top legal technologies their firm would like to move to the cloud in the future, Financial/Practice management topped the wish list, followed by Document Management, Portals/Intranets, BI, and Secure External Collaboration Portals/Extranets.

Though Financial/Practice Management was the most wanted of all collaboration technologies, and law firms listed financial/practice management system (PMS) technologies as the #1 legal tech they’d like to migrate to the cloud, few firms had imminent plans to migrate their financial/practice management systems to a cloud-based platform. Firms may want to switch their PMS to the cloud, but a combination of internal and external factors restrain them from moving forward. Time will tell as to whether these obstacles – real or imagined – will be overcome to allow firms to successfully move PMS to the cloud in 2021 or beyond.

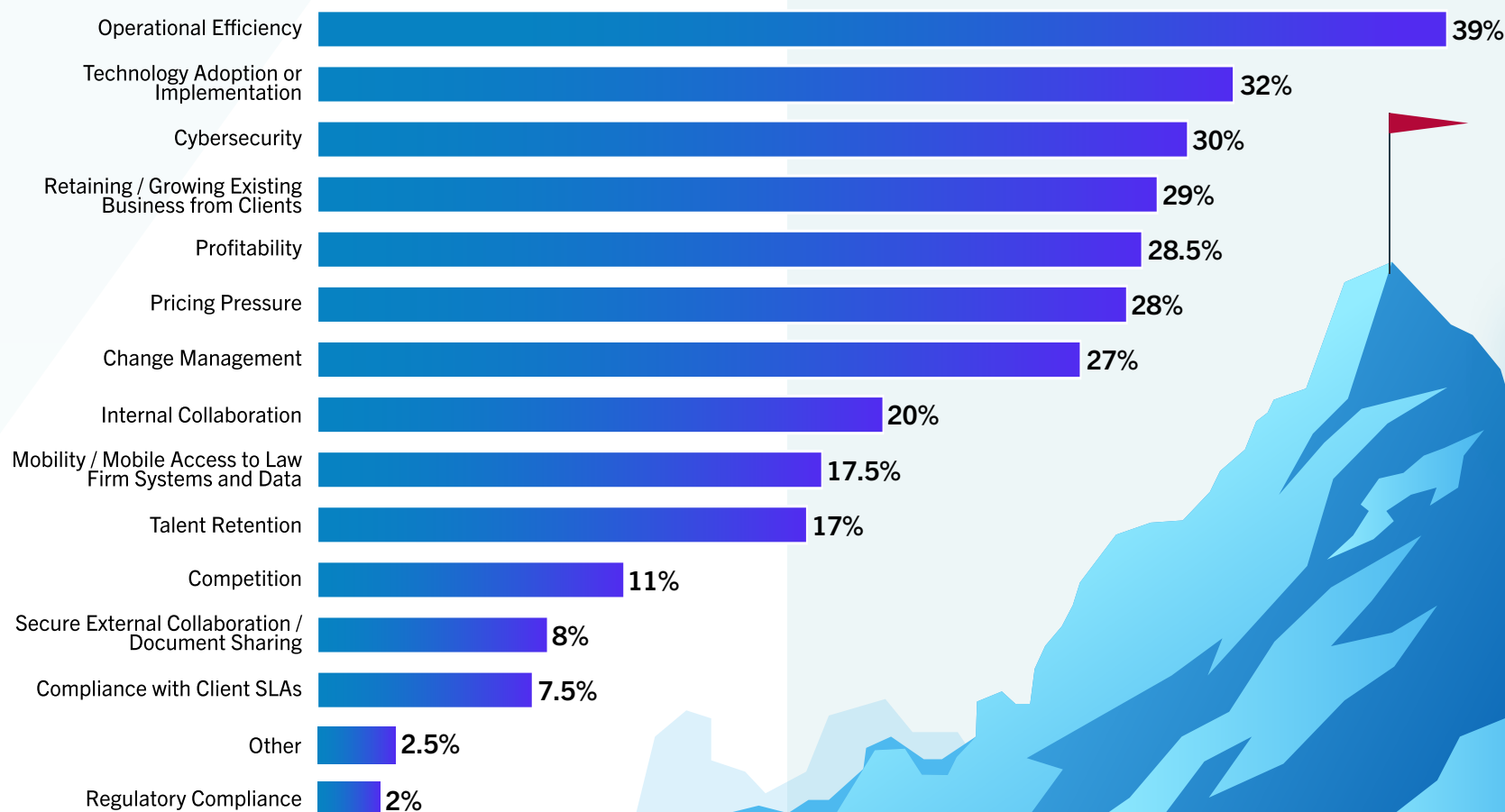
The year 2020 presented a myriad of changes for law firms, with many still facing both persistent and evolving challenges to tackle as the pandemic endures. Law firms are in a better position than ever to address their inefficiencies and solve them once and for all in partnership with their technology providers.

Now,

on to the 2020 Aderant Business of Law and Legal Technology Survey results...

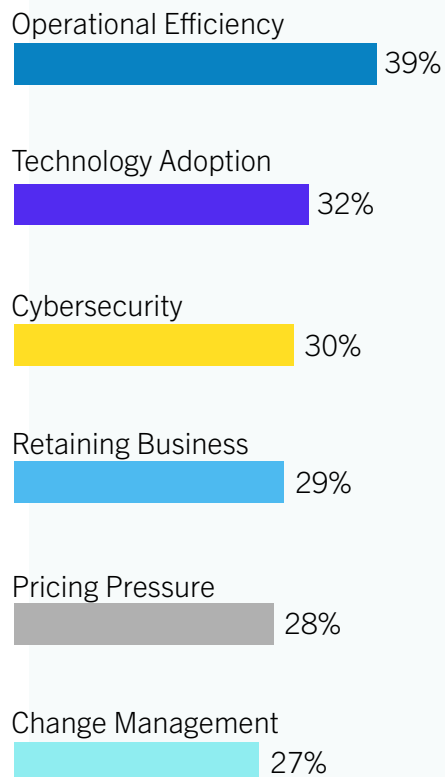
What are the top three challenges currently facing your firm?

Firms experience any number of challenges depending on factors such as practice area(s), size, and location(s). While there was not one single challenge that was head and shoulders above the rest, a year-over-year analysis outlined on page 4 reveals a steady trend. Having asked this question in each of the past four surveys, it seems the same common challenges remain in focus.

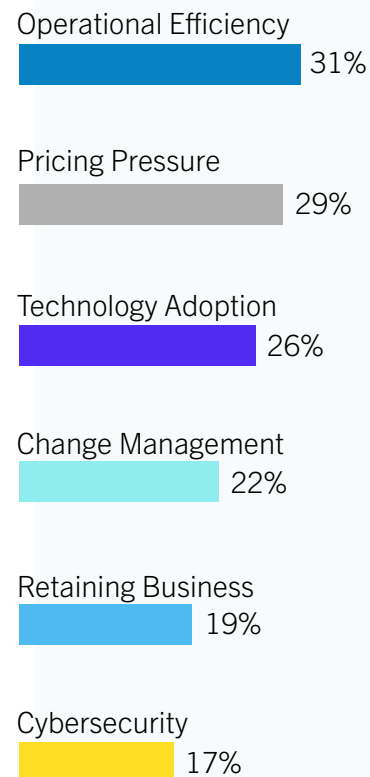


1 Operational Efficiency was the top-cited challenge for the second year in a row and ranked in the top three every year of this survey.

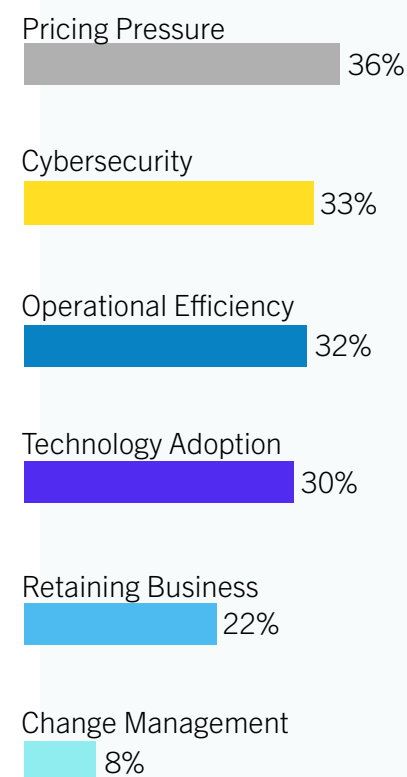
2020



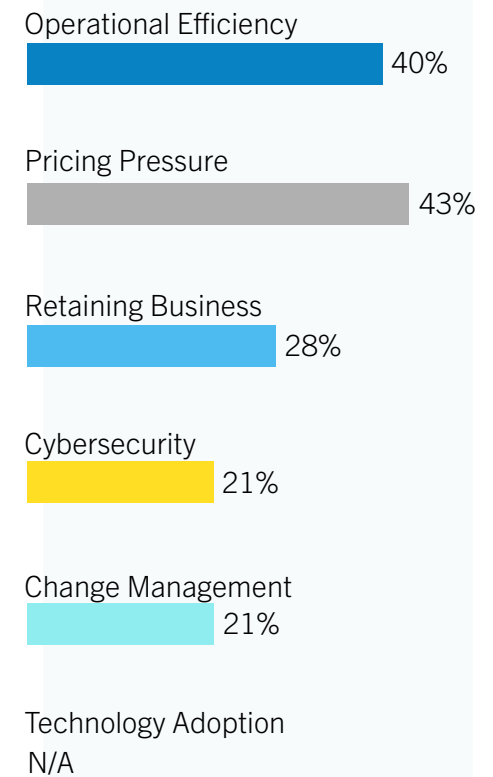
2019



2018

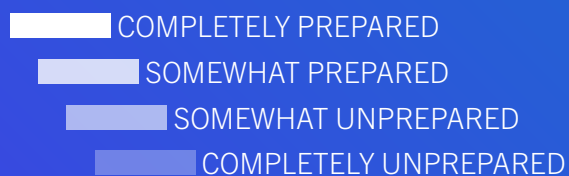


2017



What best describes your firm's readiness for full scale remote work at the onset of the COVID-19 pandemic?

Firms were more prepared for disruption than they realized. Over a quarter of firms (26%) reported that they were "completely prepared," and a further two-thirds (66%) described their situation as "somewhat prepared." Combining those two indicates that nine in ten firms (92%) were hardly disrupted when the pandemic necessitated full scale remote work.



ALL RESPONDENTS

7.5%

Somewhat unprepared, but had to make some major adjustments to operations

.5%

Completely unprepared; had to scramble to enable work from home

66%

Somewhat prepared; many process/procedures had to shift, but no major disruptions

26%

Completely prepared; it was a seamless transition for us

TECH

35%

4%

1%

61%

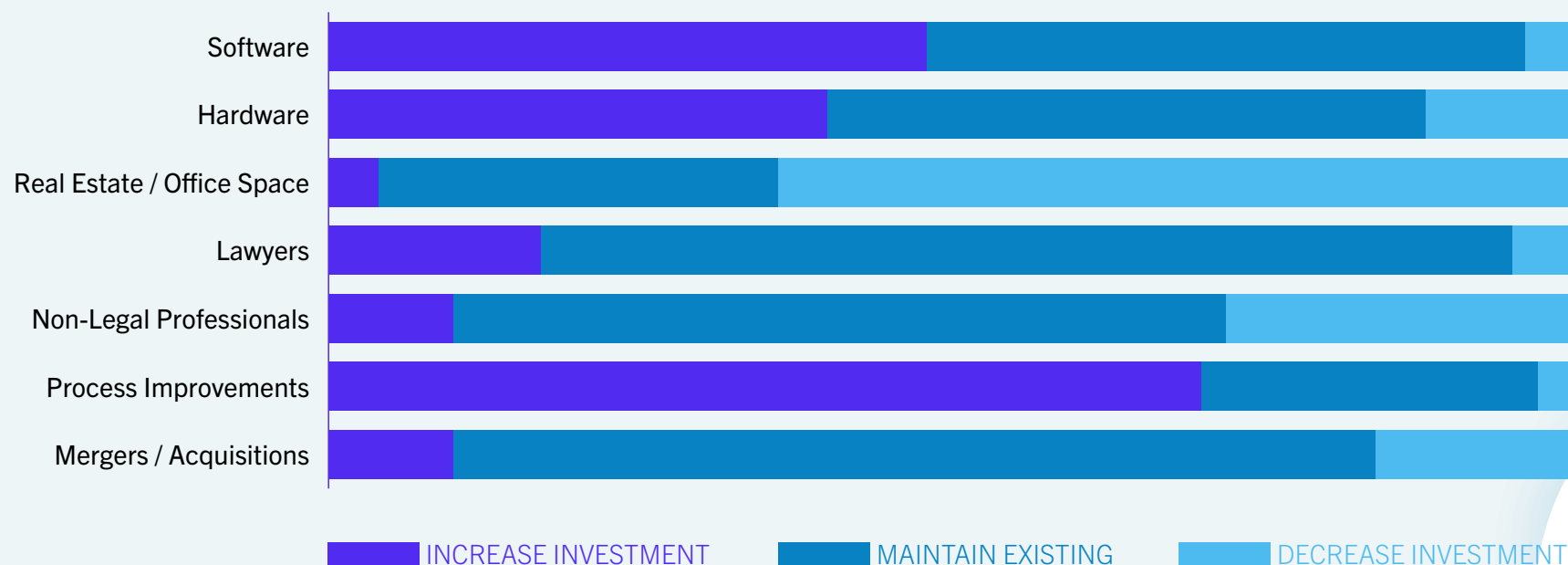
20%

10%

FINANCE

69%

COVID-19 has forced firms to change business priorities for the next three to five years. How do you predict your spend will change in the following areas?



Agile law firms are always prepared to switch priorities and shift spend due to circumstances. The global pandemic revealed many things, not just who was better prepared, but who was able to adapt faster. As such, investment strategy in technology and process improvements reflect the changing priorities.

Respondents were asked if their firm plans to spend “more,” “the same,” or “less” in seven core areas over the next three to five years. Almost half of firms (48%) plan to spend more on software, and an overwhelming 70% say they will spend more on process improvements. Not surprisingly, almost two-thirds of firms (64%) say they plan to spend less on real estate/office space. This was a trend we have seen in recent years and was likely further advanced by the pandemic.

INSIGHTS FROM THE INDUSTRY

Andy Stokes

Director

Andy Stokes Consulting

Andystokesconsulting.com

An obvious stand-out from this year's survey is that firms are expecting to spend much less on real estate and office space – "Houston, we have a new normal."

I recall attending a meeting 15 years ago when a "move away from vanity-based, marble and glass edifices within the next five years" was forecast. Well, it only took another 10 years and a global pandemic to make it happen – much in the same way that a cost saving response to the 2008 economic crash finally kicked off a move to the cloud. I guess that sometimes it only needs a seismic change in the global environment to get things moving within law firms.

Of course, there is a downside in that firms expect to spend less on non-legal professionals, and we have certainly seen that purely office-based roles (front-office, catering, post-room staff, etc.) have taken a hit in terms of redundancies and furloughs during this year – a sad but inevitable consequence of the major changes we face. But what about the people who responded to the survey, the finance and technology roles, where do they stand?

The survey also indicates software spend, lawyers spend, and spend around process improvements will increase. Put those together and we can see that firms want more bang for their buck – more lawyers achieving greater productivity through the increased use of software, particularly in a devolved office environment. Now, we can recruit lawyers and we can spend money on software, but how do you actually buy process improvements?

There is a term in military parlance called a "force multiplier" which essentially describes something that gives increased leverage to conventional forces: inflight refueling tankers, aircraft carriers, etc. In effect, process improvements act as a force multiplier, allowing lawyers (our conventional forces) to be more productive. But software alone will not achieve that; requirements need to be analyzed and software has to be installed, configured, optimized, and trained in order to meet the exact needs of the firm and thus deliver the process improvements required.

And ask yourself, are our increased numbers of lawyers going to be doing all of that? Well perhaps in areas such as "Legal AI" they will be involved, but largely they will, and should, be busy doing the legal work that is the firm's lifeblood.

Now, when I want some legal work done, I ask a lawyer. When I want to deliver process efficiencies, then I turn to the force multipliers. And who are they? That's right, the finance and technology people.

So when it comes to reducing spends on non-legal professionals (which, due to the new normal, is already happening), then I think that law firms need to remember who their force multipliers are and be very cautious about "throwing out the baby with the bathwater."

What percentage of time entry is completed through a mobile time entry solution?

Despite timekeeper demand for increased mobile access to systems and information, 69% of firms report less than 25% of time entry being completed with a mobile time entry feature or application. Interest and demand for anytime, anywhere timekeeping continues to increase, but it is likely that urgency for such solutions plateaued amid the global pandemic. Instead, reliance on additional timekeeping functionality, including desktop timers and integrated email and calendar time tracking, saw a surge after the transition to remote work.

We don't have the capability

20%

< 25%

49%

25-50%

11%

51 - 75%

5%

76 - 100%

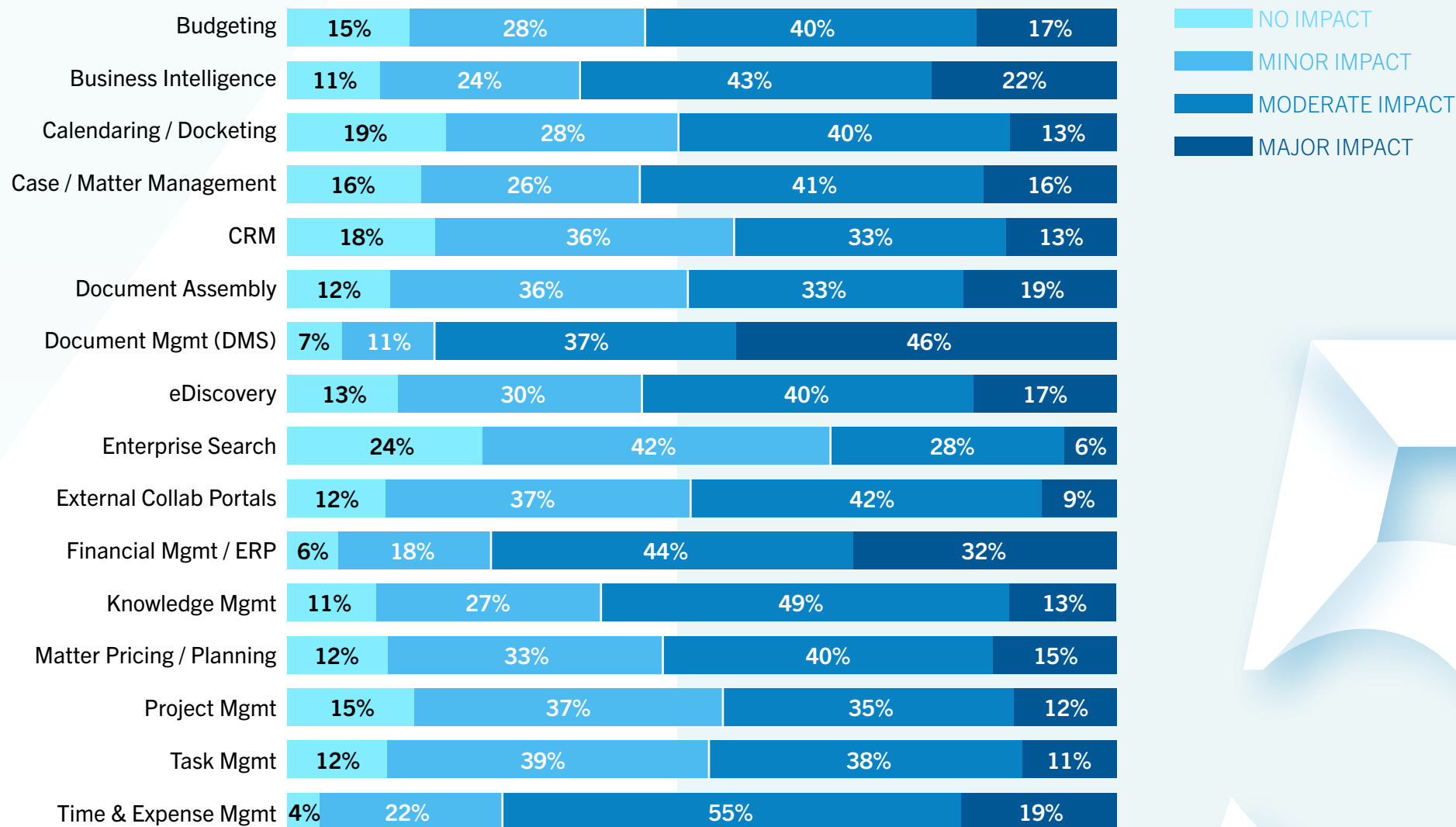
3%

Don't know

12%

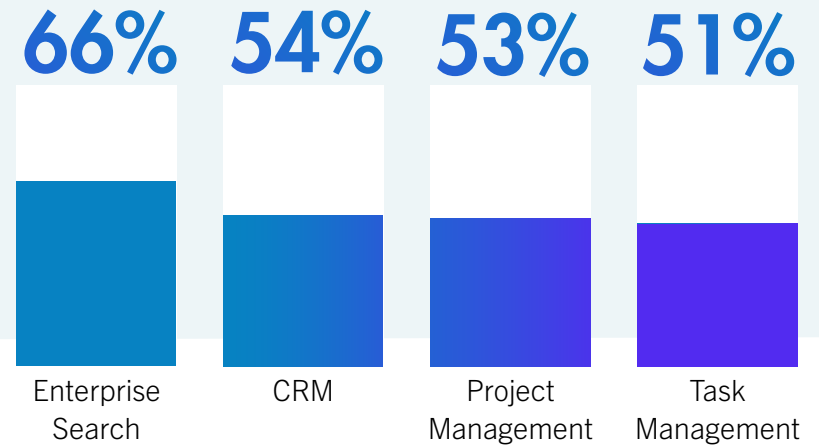
Please rank the impact each of the following has on efficiency at your firm:

Depending on a respondent's role within the firm, perceptions of how impactful different technologies are to a firm's success can be skewed. A better way to look at the data is to combine the first two and the second two, "No or Minor Impact" and "Moderate to Major Impact," to get a more accurate reflection.

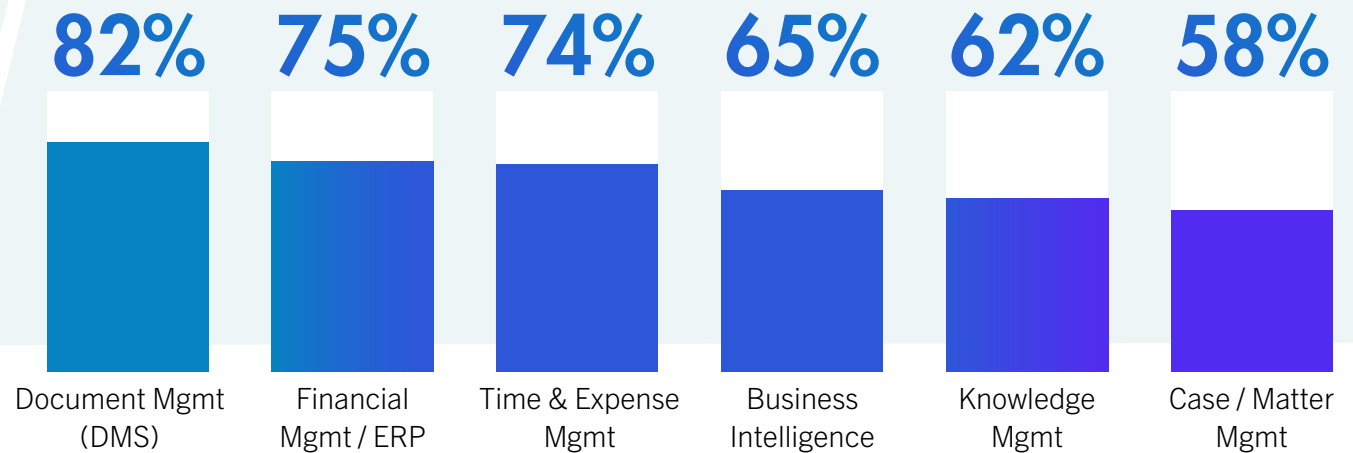


5

On the lower end of the spectrum, the four technologies cited by more than half of respondents as having “No Impact” or “Minor Impact” are:



On the flip side, the six technologies with the most responses of having “Moderate Impact” or “Major Impact” are:



A year-over-year comparison has shown very little variation among the responses. Seemingly every few years a shiny new object such as blockchain or artificial intelligence will get plenty of attention and talk on the street. However, the technologies that continue to be most impactful remain tried and true.

pg 12

FINANCE

[go there now ▶](#)

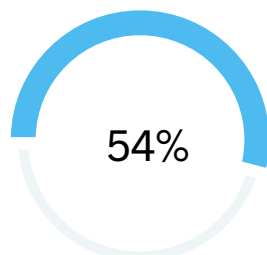
pg 18

TECH

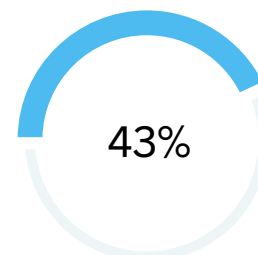
[◀ go there now](#)



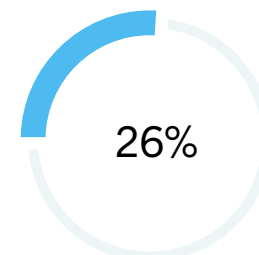
What are the two most difficult aspects of law firm billing and invoicing?



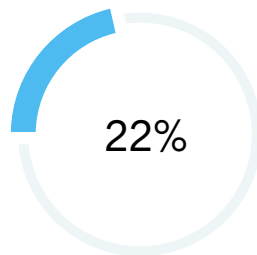
eBilling Requirements



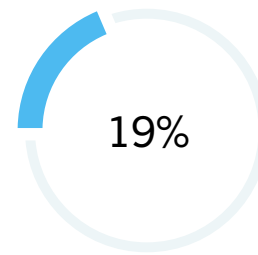
Complying with Outside Counsel Guidelines (OCG)



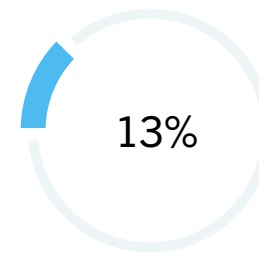
Prolonged Pre-Bill Review and Edits



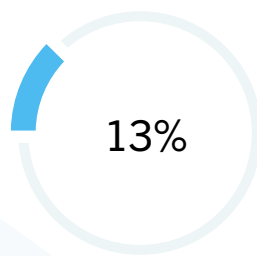
Timekeepers Entering Time



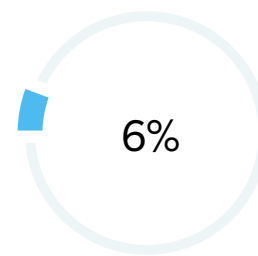
Time to Collections (takes too long)



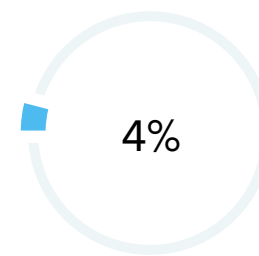
Billing Accuracy



Write Offs / Write Downs



Onboarding / Training New Employees



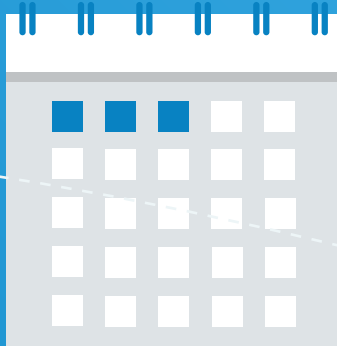
Other

Those who selected “Other” cited a number of different reasons, including process delays from timekeepers, client onboarding and data capture, and making billing more user friendly.

Unsurprisingly, two responses relate to client guidelines. With ever-increasing and more complex guidelines being the talk of the industry for years, this will likely continue for the foreseeable future. The technology available for dealing with these challenges gets better and more intuitive with each new version release. Savvy firms recognize the benefit of embracing and getting a handle on client guidelines before the challenge becomes too difficult to surmount.

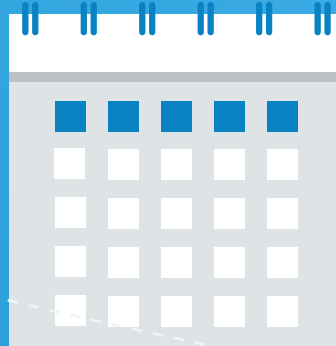
Including the pre-bill process, which of the following best describes the average time it takes your firm to send out client invoices?

Less than
72 Hours



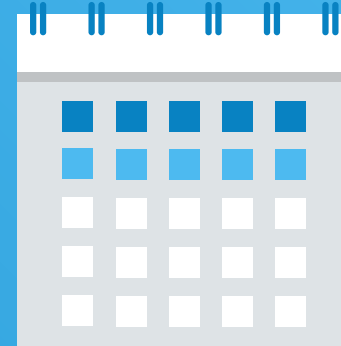
8.5%

Less than
1 Week



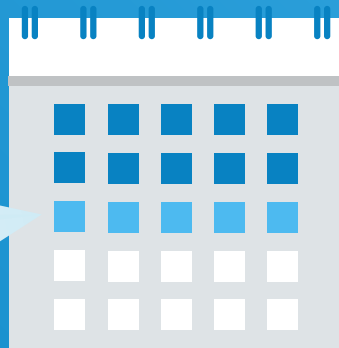
25%

About
1-2 Weeks



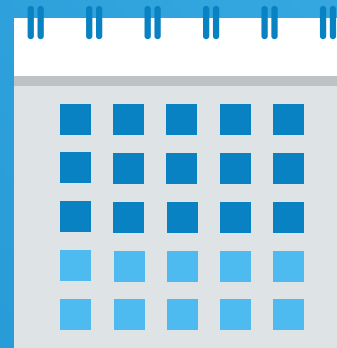
30.5%

About
2-3 Weeks



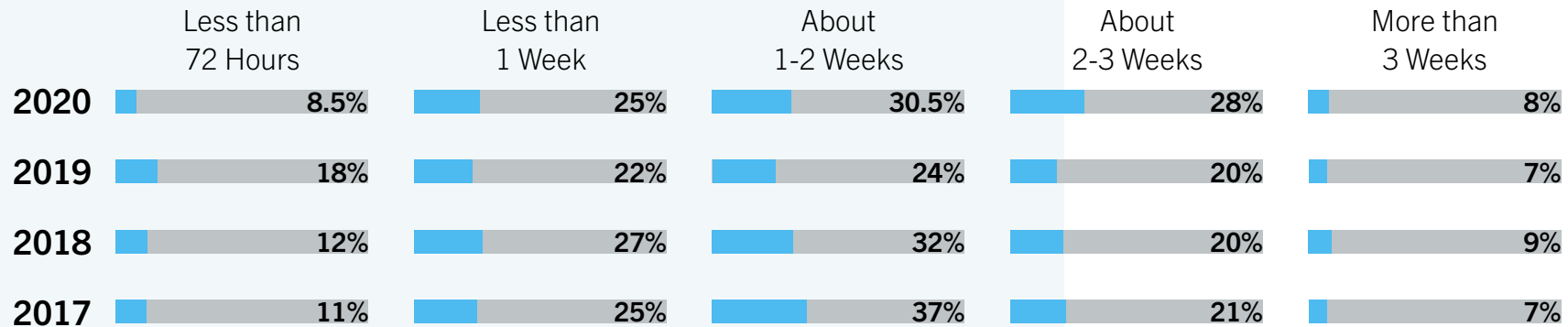
28%

More than
3 Weeks

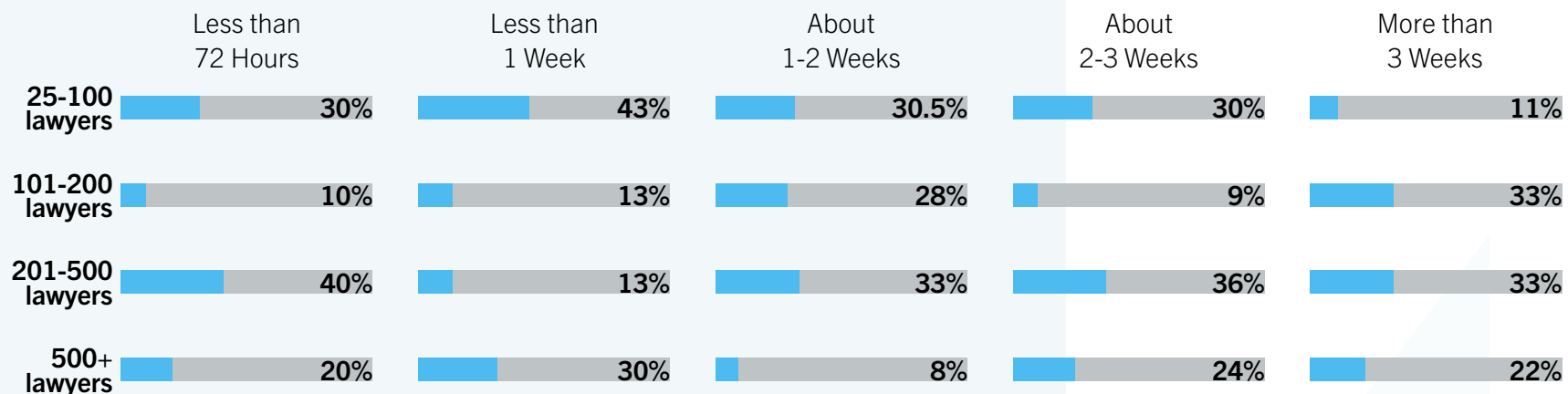


8%

A year-over-year analysis of the data has shown a consistent spread of the time it takes to publish an invoice.



The data indicates there is no correlation between firm size and the speed to publish invoices.



INSIGHTS FROM THE INDUSTRY

Beth O'Conner

President
AAC, Inc.
AAC-US.com

One of the immediate impacts of the world-wide pandemic was the slowing of the cash conversion cycle; few firms were spared. The uncertainty of the economic climate led many clients to hold on to cash, and the trickle-down effect resulted in payment slowdowns to vendors, including law firms. These external uber-cautious payment cycles, along with the internal scramble to adapt to the new “work from home” world, combined to abruptly slow down the influx of cash at many firms.

The “work from home” factor is by far the primary contributor to the lengthening billing cycle. Prior to 2020, the prebill-to-bill cycle, as defined by the elapsed time between running prebills and sending out final bills, was trending to almost 40% of bills being processed within a week of generation. That slowed down dramatically in 2020, with a 50% decrease in the quantity of bills processed within the first 72 hours. Every day in delayed billing correlates to a minimum of one day of delayed payment. The related cost to the firm can be measured in real, hard dollars.

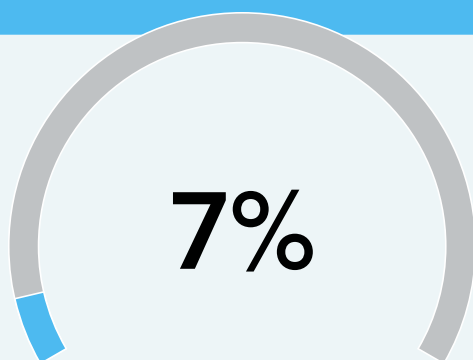
If you look at the trends over the past four years, 2020 is most definitely an outlier. The growing trend before 2020 was to get bills out the door within a week of prebill generation. It should be no surprise to anyone that this trend declined in 2020. Frankly, what is surprising is that this hit was not greater. The speed with which billers around the world abruptly adapted to billing from their kitchen tables and coffee tables while juggling toddlers and remote learners is the real surprise here. That is the real story.

Technology came to the rescue in many areas. Very simple tools like sending secondary monitors to the homes of billers, a common request, and installing scanners on mobile phones made an immediate difference for many. Firms that were considering the implementation of billing workflows with inherent tracking features accelerated those efforts as the barrage of “bill edits by email” became virtually impossible to manage. Figuring out how/where to set up laser printers was quickly replaced by a campaign to gather email addresses for outgoing bills. Priorities shifted and getting bills out the door became a single focus, only outweighed by getting time recorded. The inability to ask questions to the person sitting in the next desk was resolved by non-stop virtual meetings. Was it ideal? Hardly. But did bills get out the door? Yes. Did it take some time to adapt? Of course.

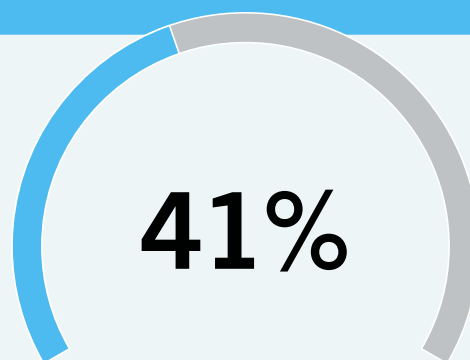
The firms that managed to stay the course and continue to bill in the 72-hour window most likely had one or two common threads: some degree of on-line workflow technology already in place and/or billing partners who immediately recognized the need to get in the clients’ payment queues, especially at-risk clients. Firms that already had fully functioning billing workflows had a distinct advantage.

These numbers are only going to get better. I, for one, look forward to reviewing this survey again in 2021. Hats off to all the billers who pulled this off. Your dedication and can-do spirit were critical to keeping the lights on.

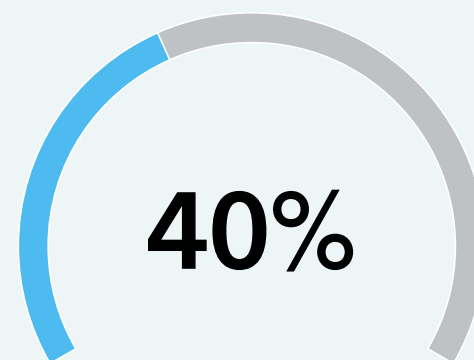
What percentage of your law firm billing is submitted through eBilling systems?



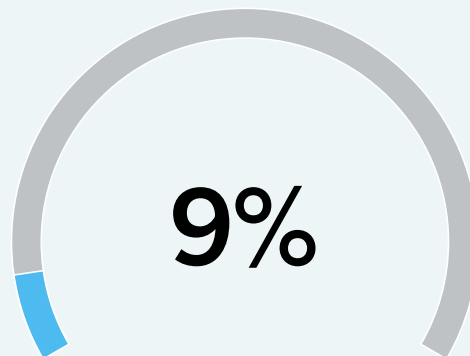
Zero, we don't submit invoices through eBilling



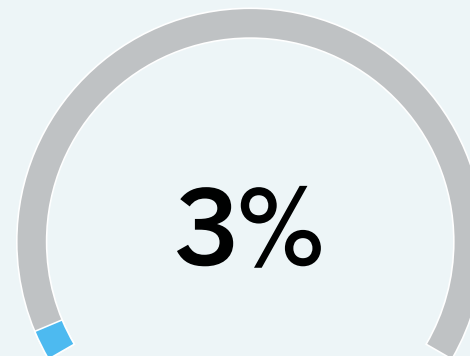
Less than 25%



25-50%



51-75%



More than 75%

Firms lament how difficult eBilling submission is and how much it is increasing. It is interesting that 87% of respondents report less than half of their invoices are submitted through eBilling. If it's difficult now, imagine what it will be like as those numbers increase. Investing in eBilling technology, as well as creating an efficient process now, will go a long way toward alleviating bottlenecks and payment delays later.

INSIGHTS FROM THE INDUSTRY

Amanda Harrelson
Financial Systems &
Reporting Manager
MGC
Mgclaw.com

eBilling is a challenging process, one that requires a substantial amount of work and accountability for the firm's financial department. However, for insurance defense firms like ours and other high-volume service law firms, eBilling is required by our clients and therefore is a "must-have" for doing business.

The Aderant Survey found that a very high percentage of law firms (88%) submit half or less of their client invoices via eBilling systems. Only 12% submitted more than half of their client invoices via eBilling. Though these numbers looked a bit low, they are understandable because not all firms heavily rely on eBilling systems – it's very specific to their practice area. If the survey had only polled insurance defense firms like MGC, they likely would have found the majority of those firms are 60-70% eBilled or maybe more. MGC eBills close to 75-80% of its invoices and the rest of clients receive bills via email or fax.

In the past year, the COVID pandemic has had a major impact on law firm billing and our clients' businesses. Insurance clients have been cutting costs for legal services, scrutinizing every penny, and MGC has been under significant pressure to adjust to their situations. Client-requested discounts were present before the pandemic, but their frequency has definitely increased since early 2020. These stricter client-driven guidelines are likely to continue for the next year or perhaps beyond.

MGC's reliance on BillBlast has grown – the technology has been a lifesaver for the firm, especially during the pandemic as we have had to fight to get paid by clients. With BillBlast, we can process bills faster, fix errors, and get them out the door to clients quickly. We know the clients are receiving their invoices. Clients can easily review their bills, mark them up, and send them back to be adjusted. MGC can appeal bills to get money back on appeal. The

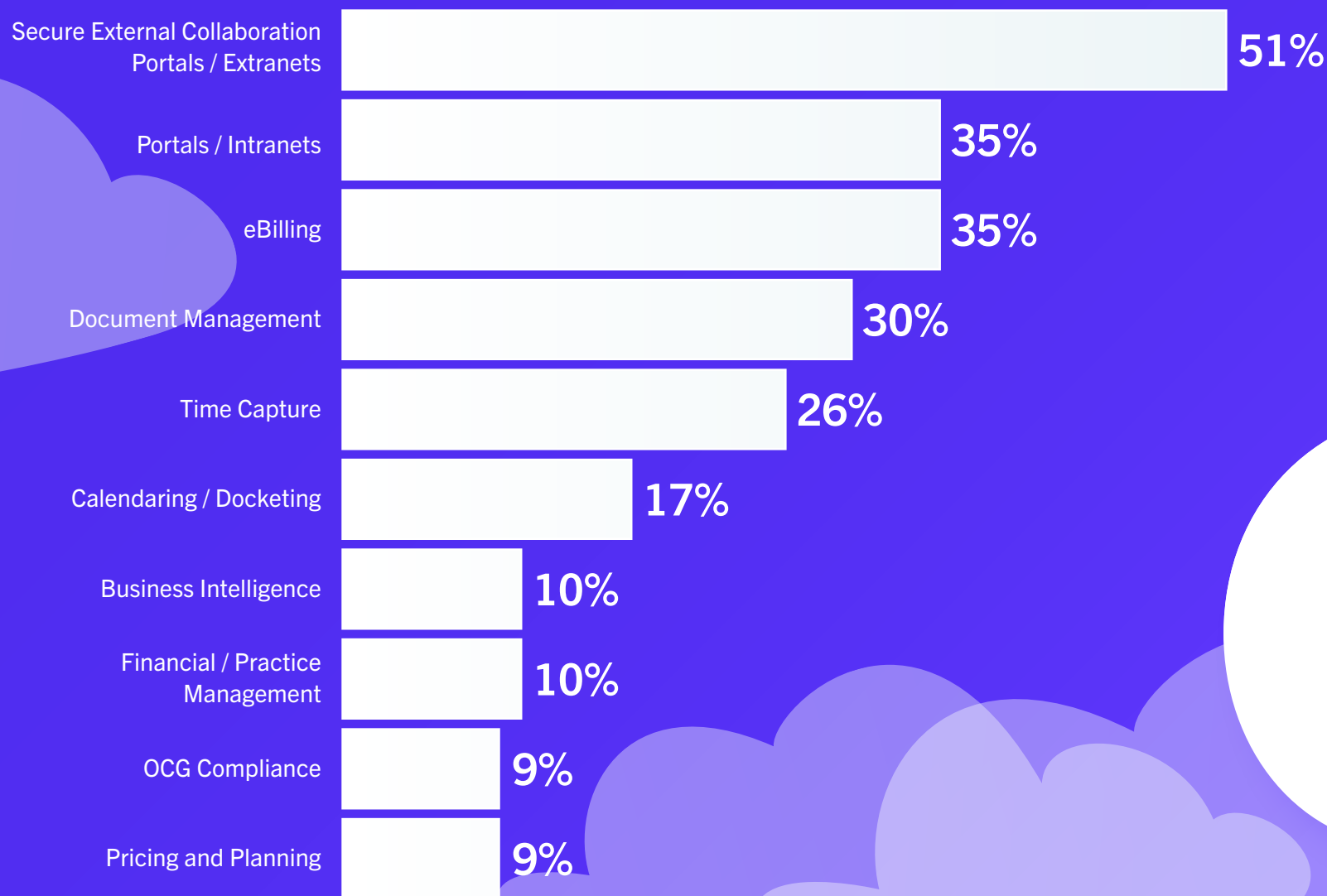
entire process is managed in BillBlast and progress can easily be reported to the CFO who wants to know what money is already in and what will be coming soon, and when. The efficiency and automation of BillBlast makes it possible for us to accomplish large workloads with a small team.

Firms considering eBilling may find the extra work it requires to be time-consuming. However, once the system is set up and the data is trackable, the results create their own incentive to use the system more thoroughly. An eBilling system sends out the bills and the client agrees to pay them, or questions specific areas to be addressed. eBill clients typically pay the firm faster than email and fax clients do, so the money flows into the firm sooner. Systems like BillBlast provide useful data and analysis to give good insight on the firm's accounts receivable status.

MGC has about 50+ bills websites for different clients, and BillBlast shows us the status of each all in one central place. Since a lot of eBill clients expect budgets and spontaneous updating, having this amount of information available at any time is crucially important to our successful operations.

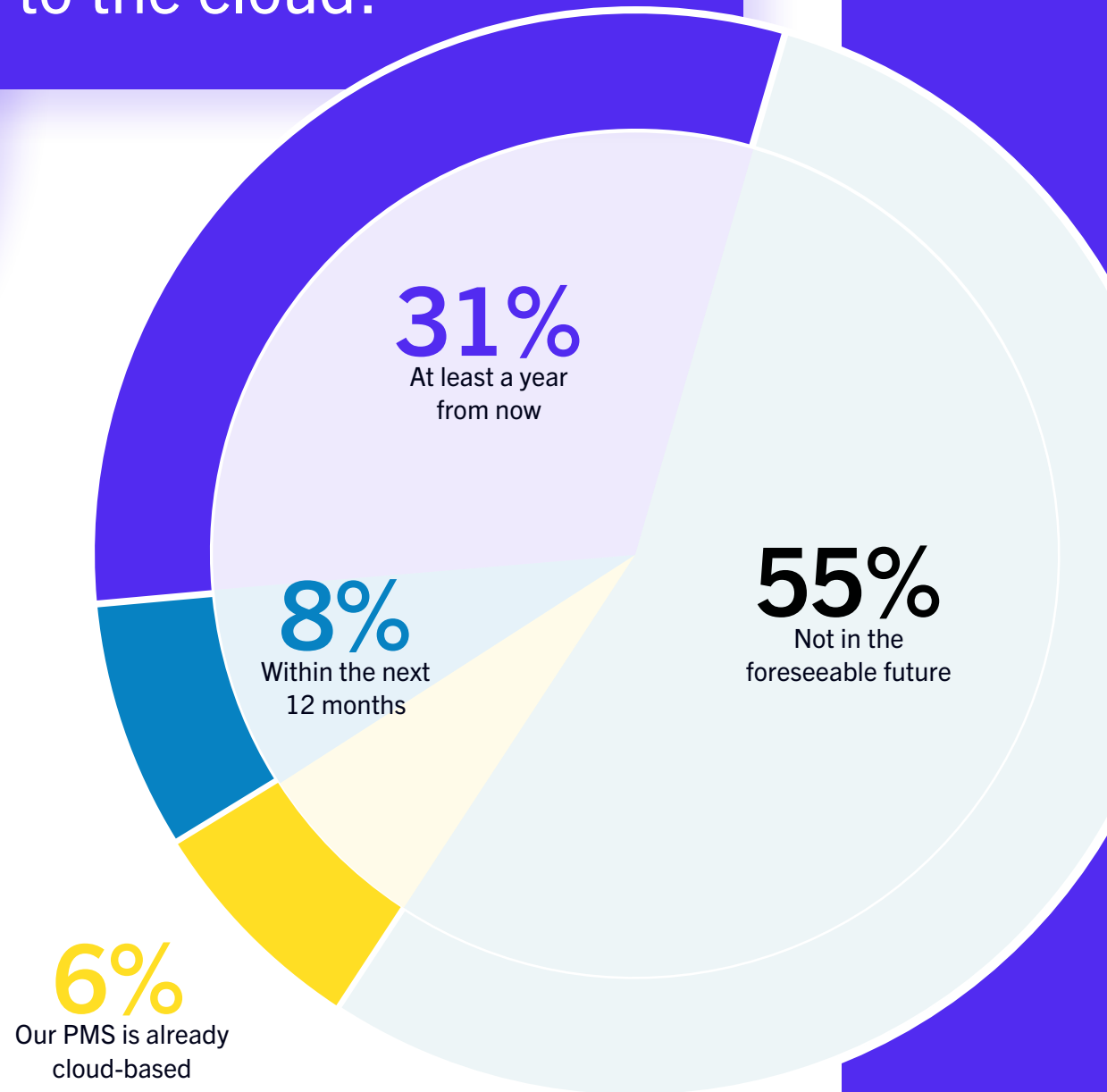
It will be interesting to see how the COVID pandemic's universal work from home transformation and economic impact will influence next year's Survey results around eBilling. Firms may be daunted initially by the amount of work eBilling requires. Yet, on the other side, with an eBilling system, they will have a more efficient billing process, collect money faster, and have daily insight into the financial health of the firm.

Which legal technologies does your firm have in the cloud today?

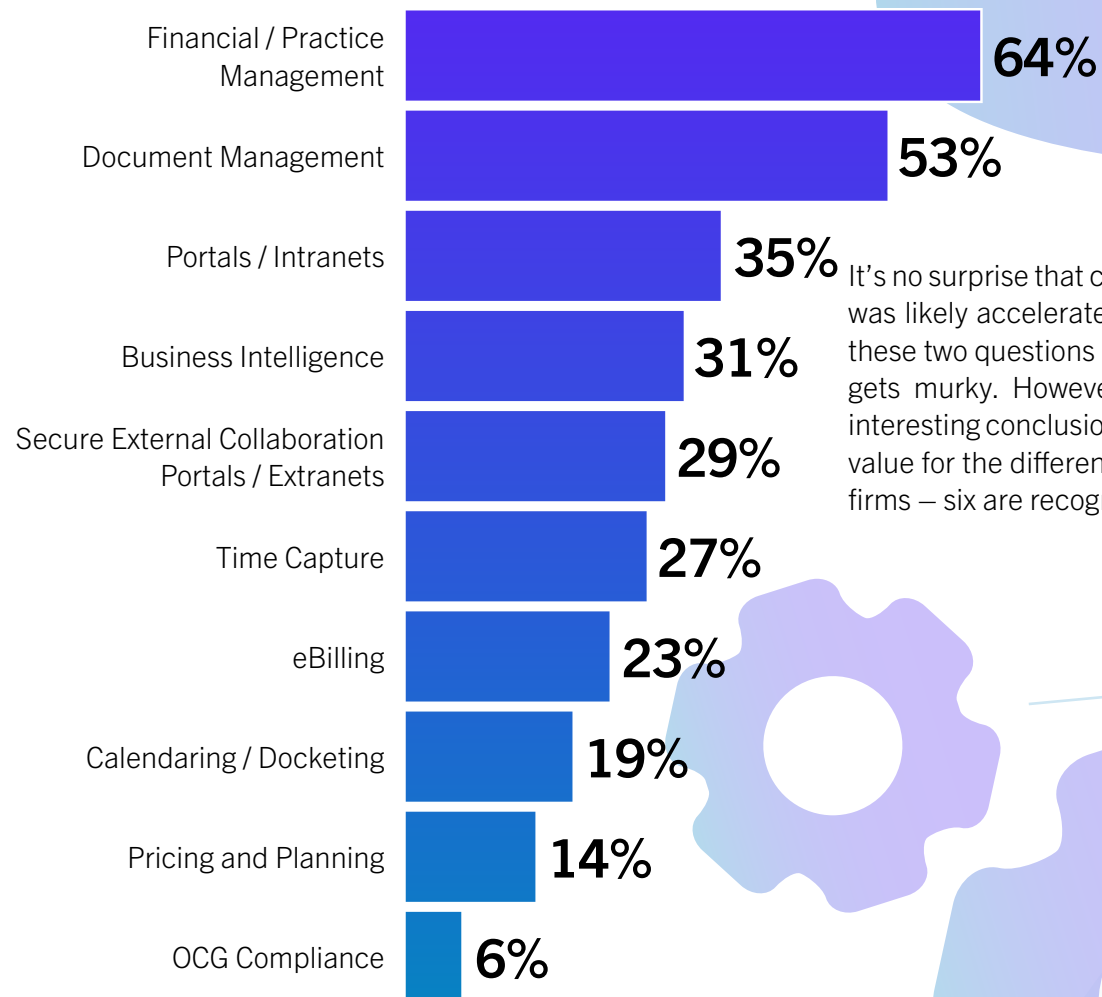


When do you project your practice management solution will be migrated to the cloud?

First, a combined 39% plan to move their PMS to the cloud within the next couple of years, which seems low when compared to the fact that 64% of firms want to take their PMS to the cloud (as indicated in question 11). Conversely, 55% say they are not moving their PMS to the cloud for the foreseeable future, but when evaluated along side the 64% that indicated a desire to move one has to wonder if the perceived challenges in taking on a migration are the reason for maintaining an on-premise solution.



What are the top three legal technologies your firm would like to move to the cloud?

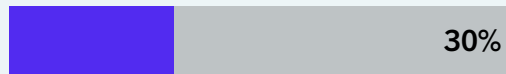


It's no surprise that cloud/SaaS technology is on the rise (and was likely accelerated by the pandemic). If the results from these two questions are analyzed separately, the full context gets murky. However, when analyzed side by side, some interesting conclusions emerge with regard to the recognized value for the different types of cloud technologies within law firms – six are recognized by more than half.

One other statistic to note is the overall recognized value of collaboration tools. While there are distinct differences in the reasons for having intranets versus extranets, a combined 64% of firms want one or the other (or both). These results signify the interest in both internal collaboration among lawyers and staff, as well as external collaboration with clients to address increased demand for transparency and sharing more than just documents.

HAVE IN THE CLOUD

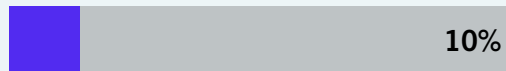
Document Management



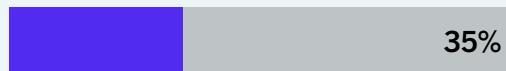
Secure External Portals / Extranets



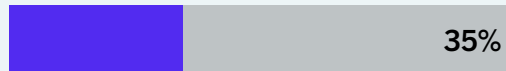
Financial / Practice Management



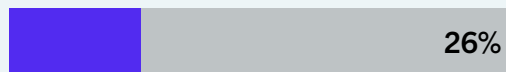
Portals / Intranets



eBilling



Time Capture

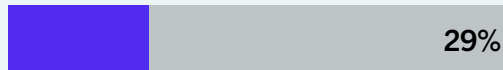


WANT IN THE CLOUD

Document Management



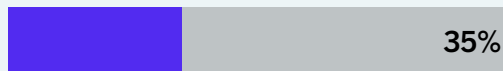
Secure External Portals / Extranets



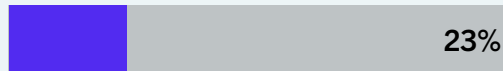
Financial / Practice Management



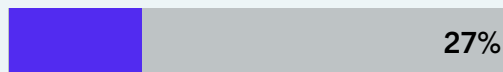
Portals / Intranets



eBilling



Time Capture



RECOGNIZED VALUE

Document Management



Secure External Portals / Extranets



Financial / Practice Management



Portals / Intranets



eBilling



Time Capture



INSIGHTS FROM THE INDUSTRY

Josiah Chaves
Director, Expert Sierra
Aderant
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It is globally recognized that the pandemic of 2020 will change how and where we work. For Legal IT professionals, this forced a conversation about how to best to adapt to a disconnected and scattered world. Naturally, this has led to considerations, if not declarations, of cloud-first strategies for many law firms. One thing is clear: law firms want more cloud-based technologies in their stack and some technologies are certainly higher priority than others.

It is clear from the 2020 Aderant Business of Law Survey that the first battleground for cloud migration is related to document management and secure document transfer.

The pandemic conditions of 2020 gave a huge boost to cloud-based solutions like secure external collaboration extranets and internal firm portals. Portals were a lifeline for keeping communication flowing and business going when everyone was suddenly working remotely. The popularity of portals is likely to continue next year and beyond since firms and clients now use them on a daily basis as a far more secure and customer friendly means of data transfer than the traditional email approach.

Along the lines of secure extranets, eBilling in the cloud also saw a huge surge in 2020. The rise of cloud-based eBilling solutions to assist law firms in adhering to law department rules and guidelines has become a great equalizer in the billing landscape. Law firms can quickly ramp up a self-contained online eBilling systems without building complex infrastructure on their end. This trend is likely to continue into 2021 and beyond.

Document management has been a longtime work horse for law firms, but historically many of these solutions have been on-premise technologies. Now, cloud-based document management is a must-have product. While nearly one-third of law firms are already using cloud-based document management, more than half of them want it. I expect that as more law firms transition to cloud email solutions, they will transition their document management solution as well.

Document management and collaboration tools in the cloud are hot topics, but financial/practice management in the cloud has not been adopted to the same extent...yet. The survey said only about one-tenth of firms had it, but nearly two-thirds said they would like to move their financial/practice management to the cloud. However, when asked directly when they intended to do this, it was clear that it was not in the immediate future. More than half said it was not in their plans for the foreseeable future and nearly one-third were putting it off at least a year. These firms want the benefits of cloud-based financial and practice management, so what's the holdup?

Firms are concerned about obstacles because migrating a law firm's financial/practice management solution to the cloud is a lot more complex than doing so for document management systems and collaboration tools. Since the financial/practice management solution is the hub of the law firm's back office, everything flows in and out of it, and integrations with many applications are built with APIs. Therefore, even if the law firm wants to move to the cloud, if the firm is dependent on some on-premise solutions that integrate with the financial/practice management system, that issue may hold them back. Also, since most native cloud financial/practice management systems are designed for solo and small law firms, they are not robust enough to support a mid-size or large firm nor are they capable of handling the legacy integration needs of larger firms.

Given these various pitfalls, it's not surprising that mid-size and large law firms have cloud-based financial/practice management solutions on their future roadmaps, but they are delaying those implementations to tackle less daunting and higher priority solutions for at least a year. However, software vendors like Aderant are making the process easier and more accessible through their software-as-a-service cloud-based offerings. Help is here, and deploying or converting to a flexible cloud-based financial/practice management solution is within reach for mid-size and large law firms.



CONCLUSION

The year 2020 was a year like no other, and the pandemic and its challenges are not yet behind us. COVID-19 is here to stay, and most workplaces are discussing a hybrid environment with some people going back into the office and others remaining remote. In 2021 and beyond, law firms will continue to rely on their greatest ally, technology, to reinvent themselves and their operations.

The Pandemic Opened Pandora's Box


While Aderant's survey showed that law firms were more prepared than expected for COVID's business changes, nearly 75% of firms remained less than completely prepared. Firms kept their businesses going, but the pandemic opened a Pandora's box of challenges whether it was home internet bandwidth variables, security concerns, discontinued access to physical paper-based or manual procedures, and more. Operational inefficiencies that firms had overlooked for years reared their heads.

COVID forced law firms to face their inefficiencies and led to the beginning of a massive technology adoption. The survey showed that law firms will increase spending on technology and process improvement in the next three to five years; seemingly infinite technology investment is yet to come. Firms have recognized their weaknesses and are strengthening their resources. Most of the spending will be related to automation, collaboration, cloud, and other initiatives that increase operational efficiency.

In a work-from-anywhere world, functions including time entry and billing landed directly into the hands of the fee earner rather than legal assistants or support staff. Firms that had already invested in mobile time entry, prebilling, and eBilling applications were better situated than firms with no solutions in place; expanded use of these incumbent technologies skyrocketed. Aderant saw paperless billing products used by only 10-20% of a firm's lawyers pre-pandemic soaring to 90% usage firm-wide after 2020. Seeing so many firms maximize the benefits of their technology solutions was a thrilling experience.

Cloud and Security in the Spotlight

Cloud and security technology have emerged as top priorities for firms. Acceptance of cloud-based technology skyrocketed in 2020 among mid-size and larger law firms, marking a radical change. Firms are



seriously considering cloud products for several reasons including the need for remote access, expense management, and relieving the CIO of responsibility for software and hardware maintenance.

Hand-in-hand with cloud discussions were security concerns, both for infrastructure and applications. With people now working from home in a variety of settings, IT had to establish control and lock down security in the face of a staggering number of variables. Security is now a crucial part of every technology conversation and will continue to be.

Firms Want Their Practice Management in the Cloud

Firms may know what technology they want to buy, but obstacles can delay their plans. The survey showed that Financial/Practice Management is the product firms most want to transition to the cloud. However, very few of them plan to tackle this project in the near future. The challenge that many firms have is that their practice management system (PMS) is integrated with many other systems, sometimes up to fifty applications. Making all those integrations “work” in a cloud setting is no minor accomplishment. Clients using Expert can elect for Aderant to fully manage their [Expert](#) system via our cloud-based SaaS offering, [Aderant Sierra](#). This way, they can keep all their integrations intact and still have the same database

access in a more adaptable cloud environment.

Time Entry and Capture Poised for Growth

Time Capture neared the top of the lists for both legal technologies already in the cloud and those which firms wanted to move to the cloud. Since more lawyers are now entering in their own time while they are out of the office, the idea of having a separate SaaS tool has gained appeal. Among our customers, we have seen a definite shift away from the time management application residing in the core practice management system. Time entry/capture is becoming a separate entity.

Mobile time entry adoption was not significant in the 2020 Survey results, but we predict this will become a very popular category in the future. Aderant’s [iTimekeep](#) is a mobile time entry SaaS which integrates with most major PMSs. There are many advantages to using mobile time entry. For example, if lawyers are doing client work while on vacation, they can enter their time to bill for it on their phone or tablet.

Compliance, Collaboration and Search – Ones to Watch

Most law firms struggle with compliance. The survey results showed that the two most difficult aspects of law firm billing/invoicing were eBilling

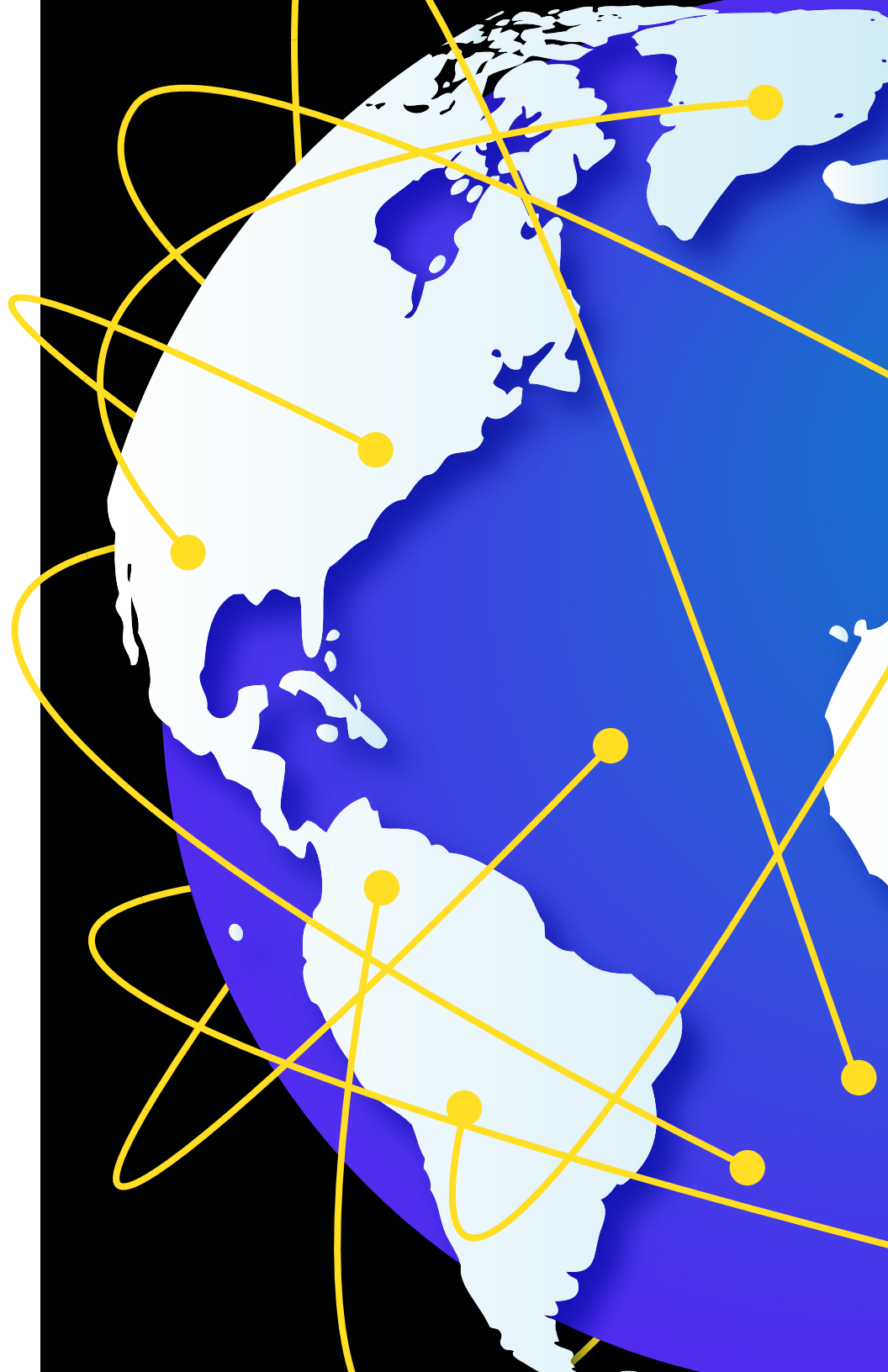
requirements and complying with outside counsel guidelines (OCGs) – both compliance-related. Historically, billing and compliance have been very manual processes for law firms. Aderant is now seeing a huge spike in firms looking to automate and centralize these functions with our [BillBlast](#) and [OCG Live](#) solutions. We anticipate that eBilling and OCG technology will boom in 2021 and beyond. Therefore, we are working on building stronger connections between [BillBlast](#) and [OCG Live](#) to further consolidate and streamline the compliance functionality for clients.

The survey showed that collaboration tools like extranets, intranets, and portals were critical lifelines that kept firms in touch with their colleagues and clients in 2020. However, of all collaboration tools, Document Management was the highest valued one with nearly 83% recognized value. This shows that the DMS (Document Management System) is still the most crucial hub for legal professionals to complete client work.

Search will become increasingly important to locate documents and correspondence as documents and messages are dispersed across collaboration tools, such as the DMS, email, the PMS, network drives, and more. Finding the needle in the haystack will require effective, all-encompassing search tools. In response, Aderant is enhancing search across several of its applications including [Handshake](#) universal search platform, [Spotlight Business Intelligence](#), and our [Drive](#) secure client collaboration extranet.

Conclusion

The year 2020 was pivotal for law firms and technology. Under duress, firms transformed themselves and began a modernization process that will continue for many years to come. Aderant entered 2021 brimming with new ideas about how our technology can solve client issues and how we can become more integral partners for law firms. The quest for operational efficiency and technology adoption continues, and so does our commitment to guide firms through it successfully.



SURVEY

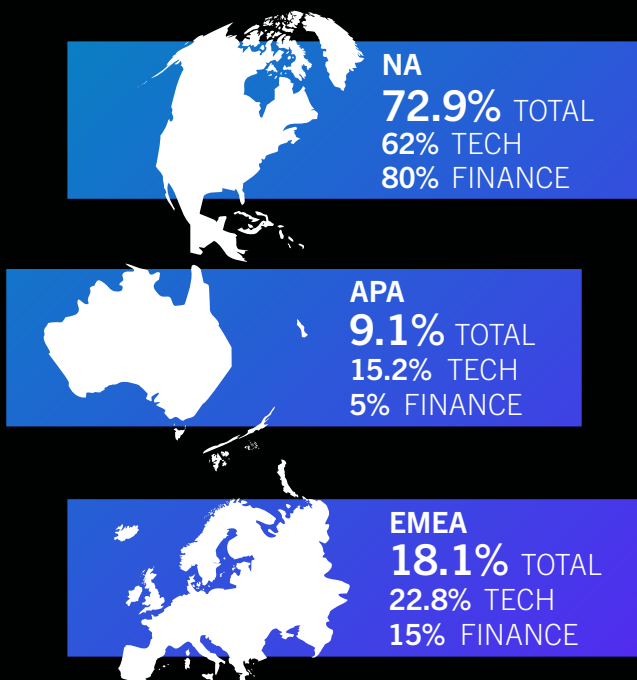
A total of 201 business of law and legal professionals from firms worldwide completed this survey, which was conducted online from August 12 to September 17, 2020. Responses were solicited via email invitation and social media postings on LinkedIn and Twitter.

Respondents were asked to self-identify as holding either a Finance or a Technology role. The survey contained a total of 11 questions: 5 were asked of all respondents, 3 were unique to the self-identified role, and 3 were about demographics. In all, 79 respondents identified themselves as having a Technology role, and 122 of respondents identified themselves as having a Finance role.

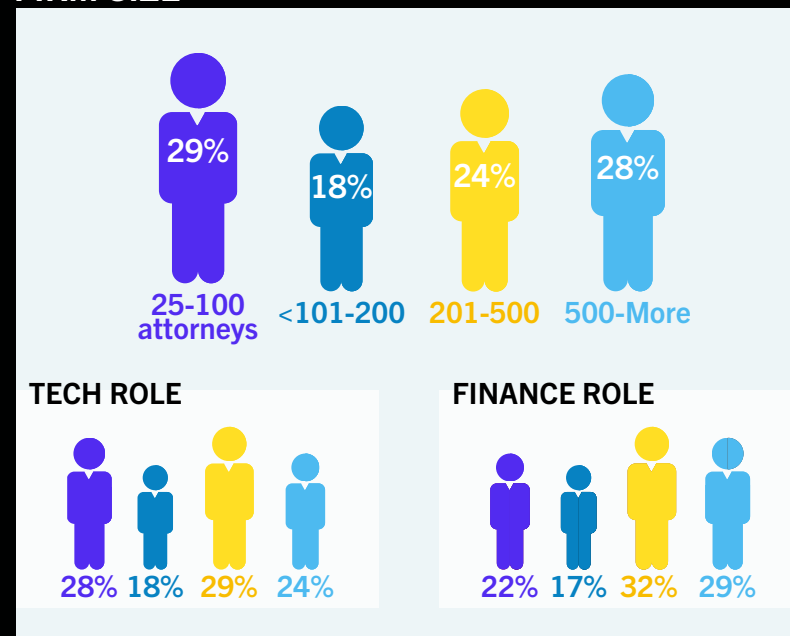
Almost three-quarters of respondents (73%) work in the North American region. Almost all respondents (94%) have a financial/accounting role, are a member of the C-Suite, or are in information technology (IT). More than half of respondents (54%) work at a firm with more than 200 attorneys.

This is the fourth consecutive year Aderant has conducted this survey.

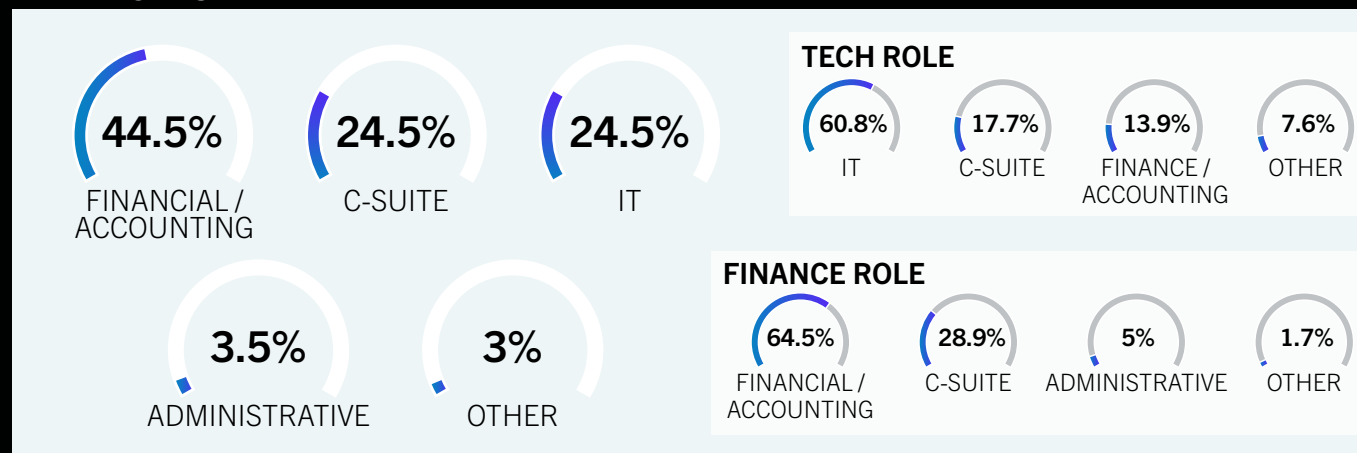
METHODOLOGY



FIRM SIZE



FIRM ROLES



Aderant

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