

A YEAR FOR IPHONES AND VIRTUAL LAW FIRMS

Technology will continue to have dramatic impact on legal industry

By **NEYAH KANE BENNETT**

Here are a few trends and predictions for legal technology in 2010.

Social networking explosion continues: LinkedIn is market leader for lawyers. 2009 was a big year for social media and networking online with sites such as Facebook, Twitter, and LinkedIn. For example, Twitter users exploded by more than 1,000 percent and the word “Twitter” was the year’s most popular word.

Although attorneys have been slow to use Twitter, many lawyers have found their way to at least make a profile on social networking sites for business purposes. Reports indicate that LinkedIn users grew by 400 percent in 2009 in the legal services category. These numbers will skyrocket as more lawyers figure out how many of their peers already use LinkedIn to develop business at low cost.

Competitors to LinkedIn include Legal OnRamp, Meet the Elite, Law Link, and Martindale-Hubbell Connected. Connected is the closest competitor and most viable alternative to LinkedIn because it is backed by Lexis. However, LinkedIn will continue to be a strong market leader for lawyers by sheer number of users alone. Some of the fringe competitors may not last long unless they develop a specific niche like Legal OnRamp has done with a focus on in-house and private attorneys.

Smartphone shift: iPhone takes the lead in legal market. “I would rather have an iPhone, but my firm will not support it.” I hear this all the time from lawyers using

a BlackBerry. IT departments at law firms are slow to approve iPhones based on some outdated concerns over security and integration problems with Microsoft Exchange. This has permitted BlackBerry to be the leader for law firm smartphones.

Although BlackBerry continues to have an edge in security, it is a now a slight edge and perhaps only by reputation. In every other department, iPhone beats the BlackBerry. The game changer for iPhone concerns the applications, or apps as users call them. Apple claims that more than 2 billion applications – programs written by anyone ranging from individuals in their basement to large companies – have been downloaded from its store by iPhone users.

There are reportedly more than 70 apps that are specific for lawyers, including a new one announced by Lexis that allows you to get legal cases and shepardize them. BlackBerry is playing catch-up when it comes to applications, and that may be the edge iPhone needs to take the lead in the legal market, or at least substantially narrow the gap.



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Fourth Generation wireless service: Web browsing will be 10 times faster. If you are going to run out and buy an iPhone or BlackBerry, you might want to wait. The race is on in a contest for development of 4G networks for wireless carriers permitting faster wireless speed for Web browsing, downloads and e-mails. Most current carriers (Verizon, AT&T, and Sprint) offer phones with 3G networks. You know you have one if your speed is good changing between web sites.

4G networks reportedly will be 10 times faster than good. The iPhone is rumored to be ready to roll out a 4G phone in mid-2010, and may even open up service with Verizon. This will be a big development for lawyers on the go as iPhone looks to become the first fully functional, wireless mini-computer.

Technology spending down: No gadgets for geeks, but lawyers will compute in the clouds. Reports indicate that one-third of the biggest law firms have reduced budgets for technology spending in 2010. Law firms are under tremendous pressure to reduce overhead and cut costs to stay competitive. Although it is a buyer’s market for technology, this means no new gadgets in 2010 for the law techies.

Instead, forward-thinking law firms will leverage their spending on technology in areas that can cut costs and increase efficiency. Law firms will do this with on-demand models for cloud computing, Software as a

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Service (SaaS), and virtualization.

Most large firms already use third party vendors on some level to host non-critical data. The outsource of data market will grow significantly as law firms consolidate their internal servers, reduce individual users' hardware and rely on third party vendors to host electronic data for e-discovery and document management.

Law firms will also invest in consolidating the number of servers needed to run applications and create on-demand use for individual users of software products.

Hanging shingles in cyberspace: Virtual law firms go mainstream. Is it possible to go green, save your clients' money on

legal costs and increase your revenues all at the same time? For many traditional law firms, the answer is "no." For some lawyers practicing in virtual law firms, the answer is a resounding "yes."

Virtual law firms are popping up more frequently as clients demand lower legal costs and lawyers look for creative solutions. One of the biggest problems facing traditional law firms is the overhead costs. Virtual law firms simply remove most of the overhead of a traditional law firm by going with a digital platform (no paper files or fancy office space). The lawyers collaborate with each other and clients over the Internet or by videoconferencing.

In virtual law firms, lawyers work from

the convenience of their home, a scaled-down office, or local conference center sites.

The virtual lawyer trend also has led to an increase in solo and start-up firms. With massive layoffs and increased difficulty in making equity partner at traditional law firms, many established and newly minted lawyers are simply deciding to go solo or start a small firm. The reduced costs associated with a virtual (or partially virtual) law practice will permit more lawyers than ever to start a new practice. Individual and corporate clients are used to seeing lavish law offices, but they are more receptive to virtual firms if it means the same quality of legal work only at a reduced cost. ■