



EBOOK

Digital Transformation

A Look at the Law Office of the Future



“Gradually, then suddenly.” This famous quote from Ernest Hemingway’s novel “The Sun Also Rises” points out how trends can go



Take digital transformation in the law office. It's happening in much the same way. Law firms have been on a slow digital transformation path for years. However, the pandemic has upended "business as usual" in the legal industry and larger world. It has propelled law into the digital age and reshaped its landscape. Digital transformation has been a C-suite priority for years, but the legal industry has scarcely taken notice and was unprepared. The pandemic changed that.

It is no great insight to say that law firms need to go digital. But our practical experience and research shows that many have still not made the move. So, whether your firm is just beginning its digital transformation journey or is one of the 77% (according to [a study by PwC](#)) that haven't started, don't worry— it's not too late!

In this white paper we'll look at the legal industry's relatively slow adoption of digital transformation, its benefits, and how to take the first steps toward digital transformation.

What is digital transformation and why do you need it?

Digital transformation is a company-wide shift away from outdated, often paper-based processes. It's the total modernization of all business processes, usually using digital technology, to create a streamlined workflow – from client acquisition through to service and support.

So, why has digital transformation been so slow to happen in the legal industry? It turns out there is one major reason. Culture.

It's not technology, tools or processes that are holding back innovation in the legal industry—it's people. Change resistance and management challenges run especially high among lawyers. This is an industry so risk adverse to change that it's often behind when adopting new workplace trends, such as pivoting to work-from-home during the pandemic.

Law has tenaciously clung to traditional ways of doing things. However, it is not immune to the pressures of the digital world. Increased competition, slowing revenue growth, shifting client demands and the new normal “work-at-home” model have all led firms to seek ways of driving innovation while mitigating risk.

Striking the right balance between adhering to long-standing – and, in many cases, still essential – principles and integrating new technologies can be challenging but doing so should be a top priority for most if not all of today's law firms. Those that adapt first will reap substantial rewards. Markets across every industry are restructuring to account for shifting demands and expectations. Empowered by digital technology, lawyers can focus on adding value to clients through consultation and strategy development.

The Benefits of Digital Transformation—a Paperless Office

One of the most compelling business benefits of digital transformation is going paperless. This is especially true for law firms. There's a lot of paperwork involved in the world of law. Legal work generates a large volume of official records – contracts, agreements, court pleadings, matter files, wills and minute book records, among countless other examples. And aside from say, publishing, probably no field rivals law when it comes to producing reams of pages.

The volume of content created and collaborative nature of working a case means that law firms could benefit greatly from a successful digital transformation initiative.

1. It's a time, money, and space saver

The biggest payoff for going paperless is the exorbitant amount of money you save. Paper takes up costly real estate. A nine-square-foot filing cabinet can hold approximately 10,000 documents—but that's just [one-tenth the amount](#) that the typical lawyer generates every year. A standard filing cabinet costs between \$1,500 and \$2,100 a year to maintain, so the costs can add up rapidly. It's all too easy to accumulate boxes, cabinets, even rooms full of paper that quickly begin to feel overwhelming and impossible to manage.

When all your documents are digital, you don't have to rent out extra space just to fill it with filing cabinets. It can help slash the bill for onsite and off-site storage and reduce the firm's real estate footprint—saving both money and space. And don't forget you get to save time that would otherwise be spent searching through those cabinets for that one elusive document.

Between digitizing everything (and therefore no need for rooms of file cabinets) and remote work, many law firms are considering the concept of hoteling. As leases become due, consider reducing your real estate footprint by treating private offices like they were hotel rooms to be booked like you would a hotel room.

2. It can help improve firm security

It's impossible to encrypt or password protect physical documents. Digital files, on the other hand, can be locked behind multiple layers of security that's compliant with all safety regulations.

Instead of having to rely on a locked door to do its job, you can rest easy knowing your chosen software platform will keep all your data secure. And don't forget, paper documents are also easier to lose too!

3. It increases productivity and efficiency

Did you know that the typical office worker spends an estimated [30% to 40%](#) of their day searching for printed documents?

It's far easier to be productive when you can quickly find any resources and documents you might need to finish a task. And searching for virtual files is far quicker than searching for physical ones. This applies doubly to remote work environments—which, as of 2020, includes the vast majority of law offices.

Other tasks, from document retrieval, case preparation, court filing and service of Process, are all made much faster when the process is fully digitized.

4. It increases accessibility

Have more than one office for your firm? Have employees who work from home? Going paperless means that anyone in your office can access or update your digital files from anywhere at any time. This means no more waiting in line at the Post Office, no more hoping that the FedEx overnight actually arrives on time, and no more wasted days waiting for an urgent file to arrive.

5. It provides a better client experience

With a well-managed paperless office, you'll never have to keep clients waiting while you search for their files ever again. All you've got to do is enter their name or file number into the search bar and all documents related to them will instantly be at your fingertips.

What's more, sharing documents with clients becomes a much easier process too. No more snail mailing documents back and forth.



Getting Started – It's time to digitally transform

Digital transformation starts with going paperless. So how do you start? Begin with an audit of all of the business processes within your firm that utilize paper. Consider how paper can be replaced with digital processes. For example, PDF documents can typically replace paper-based forms, contracts, orders, etc. with easy-to-use and legally binding e-signature technology.

With the audit complete, you're now ready to begin. Here are the five key steps to completely digitize our workplace:

- 1. Digitize:** convert all documents from paper to digital
- 2. Organize:** categorize documents in a central electronic filing cabinet
- 3. Automate:** digitize business processes using forms and workflow

4. Streamline: take a high-level view of business processes to identify bottlenecks and opportunities for more efficiency

5. Transform: use advanced analytics to turn data into insights on how to make your company even more efficient

As the workstream becomes digital, that paper (at least most of it) will be eliminated. Incoming mail is being scanned and routed electronically to the proper recipients. Documents and records requested are no longer being pulled from the shelf, put on a cart, and walked down the halls to the attorney. These files are also being scanned and delivered electronically. So too are the closed files that are boxed and sent to storage. Why request a box from storage, which will be put on a truck and driven across town to— where? An empty office?

A totally paperless office is a continuous, ongoing process that may never be fully realized. There will always be people that prefer the tactile comfort of hardcopy. You can accommodate them by setting an information governance policy that states the official record copy is digital and hosted within a designated system. This makes any hardcopy a “Copy of Convenience” and subject to immediate disposal.

The contours of the digitally transformed legal world are taking shape. There are challenges and opportunities. Those who upskill and adapt will find opportunity. Others that stand pat, hoping that the world will return to “normal,” will become redundant. Digital transformation will produce a thinning of the herd and a reimagined legal industry.

Are you ready? Let's embrace the challenge



About VDS

At VDS, we support clients on their digital transformation journey. We help them realize their digital ambitions and to respond effectively to increasing pressures from their customers, operations, and the competition. The end result is increased efficiency, customer engagement and profitability.

VDS' reputation is built upon our expertise in modernization, process digitalization, and new digital platforms. All this is underpinned with a flexible, pragmatic, and evolutionary approach that sets them apart and readies them to be the Law Firm of the future.

For a complimentary consultation on how you can begin your digital transformation journey, Contact VDS at :



 info@teamvds.com

 (213) 362-5622