Online Legal Services for the Client-Centric Law Firm

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Executive summary

THE LEGAL profession's advances in the world of the internet and ecommerce have been cautious in comparison to other industries and professions. For years law firms have used websites as placeholders for their firm, almost like digital business cards, but because of security and ethical concerns they have been slow to actually deliver services online through those websites. In the meantime, others in the business world identified a latent market for online legal services and began developing websites to address this need. As a result, the delivery of legal services online has begun to take off in the past several years whether or not the majority of licensed legal professionals were on board with the delivery method.

Over 10 years ago, non-lawyer legal service companies began offering free online legal forms and inviting lawyers to answer basic legal questions for the public online. Some companies monetized these services by charging members of the public for legal forms. Often these legal forms and the accompanying instructions permit the consumer to handle the completion of their legal need for themselves, but these forms are not reviewed by a licensed practitioner. Lawyers began to experience clients coming into their office armed with legal forms purchased from such sites, but still seeking the value and experience of a licensed practitioner.

The most innovative law firms have begun to recognize the consumer need for online legal services. These firms are realizing that online delivery is not just a way to increase revenue for their law practice, but is also a way to serve the public by meeting a clear need for more cost-effective delivery of legal assistance. The estimated latent market for online legal services is $45 billion according to Richard Granat, co-chair of the ABA Elawyering Task Force and President of DirectLaw, a company that provides technology for online delivery. Granat estimates that '50 per cent of middle income households in the United States have at least one legal problem per year. Only 20 per cent seek legal assistance from a lawyer'. Estimates from the US Bureau of Economic Analysis and the US Bureau of Labor Statistics, for example, have American consumers spending approximately $43–56 billion annually on personal legal services.

Almost every other profession has already moved to developing forms of online delivery, including the accounting, banking, investing, and medical professions. In the service of the public and in the interest of access to justice, the legal profession must also find ways to integrate online legal services into its core offerings.

Delivering legal services online is not just about efficiency of legal work and decreasing overhead expenses, it is a matter of providing good customer service to clients. The methods of communicating efficiently with technology go beyond merely e-mailing a client back and forth or occasionally using video conferencing to communicate. Online legal service delivery can span from the initiation of the lawyer-client relationship to the final delivery of legal services and payment to the firm for those services online. Access to legal services online can provide an ongoing relationship between the firm and the client that provides superior customer service and long-term legal care beyond traditional delivery methods.

Online legal services carry the potential to re-establish trust and increase the value and relationships the public has with licensed legal professionals. The client-centric law firms that are transparent in their business practices and provide communication and delivery methods that clients expect from professionals in any industry will be the firms that survive in our quickly changing legal marketplace.

The purpose of this report is to examine the state of online legal services internationally and to provide guidance in establishing, growing, and maintaining this form of delivery for practitioners and law firms. This report does not cover the many online resources and self-help assistance that law firms have begun providing to the public and clients online, such as online law libraries, web advisers, mobile applications, compliance tools, or web calculators. Instead, the coverage of online legal services in this report focuses on the actual legal work produced for a client's unique circumstance that is handled and delivered at some point in the process through a secure online method of delivery.

Chapter 1 covers forms of online delivery and a strategy for implementing this within existing law firm models. It includes an explanation of an internal analysis and process for determining which services to provide online and how to manage the online practice. Unbundling and 'rebundling' existing legal services for online delivery are part of this discussion in addition to reviewing different pricing models for online services.

Chapter 2 discusses the setup and maintenance of operating an online model for delivery. The process of selecting the appropriate technology and systems for online delivery will be covered. This section will provide practical information for law firms to guide them in adding a client portal to their website, as well as other technologies and tools such as document automation and assembly or expert systems for online delivery. There are also unique customer service issues for online client development that are covered.

Chapter 3 provides an overview of marketing methods and strategies for online legal services. This includes topics such as online branding, social media presence, SEO, and other necessary steps law firms must take to create a successful strategy to market online legal services.

Chapter 4 discusses the ethics and malpractice issues that might arise from online delivery as well as providing best practices for law firms to follow.

The final chapter examines why online legal services by law firms have not developed as quickly as they have for branded networks and other professional industries. This chapter also discusses changes in regulations and the legal marketplace that are affecting online delivery and which may affect it in the future. The conclusion to this report predicts the future evolution of online legal service delivery by considering forms of online engagement with the consumer through design and innovation in user experience and interface for delivery.

This report also provides specific case studies detailing different online delivery models. The report does not cover online delivery methods by non-lawyer legal service companies such as Rocket Lawyer or LegalZoom – although collaboration with them for marketing purposes is covered in Chapter 3. Instead, the focus is on providing practitioners and law firms with the necessary background and skills to implement online delivery of services in their existing business models. The appendix includes sample provisions for a limited scope engagement agreement, a sample technology policy and procedures document, and an outline of a business plan for a law firm offering unbundled, online services.

The technology behind online legal service delivery is changing at a rapid pace. The regulations and rules behind the online delivery model are being challenged in many countries internationally. Whether a practitioner intends to deliver legal services online or not, their clients and prospective clients will be aware of these online, alternative forms of legal assistance. Accordingly, it is critical for lawyers of all experience levels and firm sizes to stay abreast of how online legal services are changing the face of the legal profession. This report provides a solid background and starting point for delivering online legal services for the client-centric law firm.

About the author

STEPHANIE KIMBRO, MA, JD, is a member of Burton Law LLC, a virtual law firm offering online unbundled and traditional full service representation in North Carolina, Ohio, and the District of Columbia. She is the recipient of the 2009 ABA Keane Award for Excellence in eLawyering and is the author of *Virtual Law Practice: How to Deliver Legal Services Online* (2010), *Limited Scope Legal Services: Unbundling and the Self-Help Client* (2012), and *The Consumer Law Revolution: The Lawyers' Guide to the Online Legal Marketplace* (2013), all published by the American Bar Association. She is also the co-founder of Virtual Law Office Technology, LLC (VLOTech), which was acquired by Total Attorneys in the fall of 2009.

In addition to practicing law, Stephanie writes about the ethics and technology issues of delivering legal services online and is interested in the use of technology to increase access to justice. She has provided presentations and has guest lectured for many state bars, law schools, and other organizations interested in legal technology. She authors a blog about the online delivery of legal services at www.virtuallawpractice.org.

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Stephanie Kimbro

PART ONE

Online legal services – Management, development, and best practice

Chapter 1: Why deliver services online?

THIS QUESTION begins the important analysis that a law firm must go through before proceeding with the steps set forth in this report. What are the primary reasons the law firm wants to deliver services online? The firm must determine those reasons to select the appropriate method and approach to developing a model of online delivery. Some of the reasons for choosing online delivery might include:

- Expanding the firm's reach into other territories and regions, including a desire to expand its client base;
- Creating a completely separate, new source of revenue for the law firm;
- Competing with other law firms and companies delivering online services;
- Building an online brand and marketing strategy to expand the firm's reputation as being innovative and forward-thinking;
- Using online services as an amenity to retain existing and recurring full service clients;
- Lowering overhead by taking certain law firm procedures and operations online, including the use of remote working arrangements for lawyers and support staff;
- Going paperless and transitioning the firm to a cloud-based technology for all its practice management and administrative operations;
- Creating better work/life balance and flexibility for firm members; and
- Unbundling and repackaging its legal service offerings to increase efficiency of operations to serve more clients and more efficiently serve its existing client base.

A law firm may find any one or a variety of these reasons for choosing to deliver legal services online. Depending on the motivating factors for adding online delivery, the firm's selection of the model of delivery, the technology platform and its features, the billing methods used, and other decisions for the development of online delivery will vary. For example, a firm whose motivating factor for adding online services is to transition the existing firm to a cloud-based model will be more focused on selecting a technology platform that will enable the conversion of the firm's existing data into the cloud. A firm that is focused on adding online services as an amenity to its existing law firm offerings for purposes of competition and marketing may select a different online service platform that builds into the firm's online brand building and marketing strategy. Lawyers who are interested in online delivery as a way to ease into retirement from a traditional law firm model may focus on a technology set-up that allows for more flexibility when transitioning from one model to another, rather than on a robust online practice management system with online delivery features. The process of researching and deciding which structure of online delivery would work best begins after the firm determines the motivating reasons for adding online delivery.

What is the competition?

In addition to regulatory changes in some countries which make it possible for unlicensed lawyers to deliver legal services online, the legal profession has seen increased competition in online delivery across the globe. For example, LegalZoom filed an S-1 form in the United States noting that it planned to raise $120m in an initial public offering (IPO). In this filing, the company revealed that it had served almost two million customers in its 10 years of operations. In one year alone, 2011, the company claimed to fill 490,000 orders for online legal services. For lawyers in the United States, these numbers are nothing to ignore. These are individuals who would have either turned to self-help solutions or retained the services of a lawyer.

LegalZoom has been joined by many new players that are grabbing the attention of online consumers seeking assistance. For lawyers internationally, it is worth taking a look at the non-lawyer owned companies, such as Rocket Lawyer, that might be providing legal services online and estimating the amount of business that is being taken from licensed lawyers through these alternative delivery channels. In some circumstances, it may be possible for law firms to collaborate with these branded networks delivering online services as part of a larger online marketing strategy. This is discussed in more detail in Chapter 3.

There are other interesting developments occurring that may shape the competition for online legal services. Recently, SunTrust Bank, a major bank in the United States, partnered with Business Centric Services Group, Inc. on the development of a Business Hub to deliver legal and other services to small business banking clients. Both Epoq Legal, a company based in the UK, and DirectLaw, a US based company, are providing technology components to this project. MozyPro, PlanHQ, Moonfruit and FreeAgent are also providing software that would be useful to small business clients of the banking giant. All of the tools provided in the Hub cost the user $25 a month, which may be debited from the user's SunTrust banking account. This type of holistic care and convenience for small business owners is something that a solo or small law firm would have trouble replicating.

In terms of competition from other lawyers adding online legal services, the adoption of this business model is still in the beginning stages. Lawyers opening law firms that provide online services in many jurisdictions may have first-mover advantage over the competition. Overall, the number of lawyers moving to cloud-based technology has increased. In the United States, the 2013 American Bar Association Legal Technology Survey Report stated that the percentage of lawyers who say they use cloud-based technology rose to 31 per cent over the 21 per cent seen in 2012.[1] However, their use of technology appears to be focused on systems for practice management rather than technology to deliver legal services online. The report also noted that only 5 per cent of lawyers who took the survey stated that they had a 'virtual law practice'. The number reporting a virtual law practice in 2012 was 7 per cent. In the United States, the term 'virtual law practice' is used to describe a practice where the lawyer has no physical law office and delivers services to clients online. Even including the lawyers that did not claim to operate a virtual law practice in the States, 35 per cent of lawyers responding to the survey said they offered unbundled legal services.

The survey described these services as 'specific, stand-alone services like document preparation, offered as an alternative to full representation'. Accordingly, while we do not have similar statistics for other countries, we can most likely predict that lawyers across the globe will continue to increasingly adopt cloud-based technology solutions for their practices. These solutions will either come with tools for online delivery or facilitate the unbundling of services which may then be delivered online. Judging the competition for online services in terms of other lawyers and law firms may be a simple task at this point, but that will change as more firms see the benefits of delivering online.

Finding ways to differentiate a firm's online options from these competitors and setting up the value of the professional expertise is going to be an ongoing task for any firm considering delivering online legal services. However, without providing prospective clients with some form of online delivery that meets consumer demand for affordability and convenience, it will be difficult for law firms in the future to remain competitive, especially smaller firms and those that provide basic, personal, or consumer legal services.

What are the benefits for the public?

The public is accustomed to making purchases online and many of them conduct activities online through secure client portals, such as earning educational degrees, shopping, banking, investing, and paying taxes. Consumers are used to fixed fee prices for services and products sold online. Accordingly, when they need legal assistance, they expect to find online legal services that will provide them with the following information:

- Do I have a legal need?
- How much is it going to cost to resolve this legal issue?
- How long is the process going to take and what is that process?
- Prompt updates on their matter along with responses to e-mails, phone calls, and complaints they may have.

In addition to this, online clients expect that services will be delivered at a lower cost than traditional in-person legal services and that these services will be online and available 24/7 as opposed to traditional business hours. They also expect the firm to provide links to other resources and self-help legal services online so they may empower themselves to take action or become more educated about the process while working with the firm through the client portal.

These days the public has other options to obtain legal services online through branded networks and non-lawyer owner companies providing legal assistance. Law firms must distinguish themselves from these other options by emphasizing the value that a licensed lawyer adds to the delivery of online legal services. The primary benefit to the public of lawyers operating online legal services is that they are provided with an alternative, potentially higher quality option for legal assistance than a legal form or document that is sold to a consumer by an individual or entity without formal legal training and experience. Lawyers delivering legal services online increases access to justice internationally for a large number of middle-income individuals who need the affordability and convenience of online delivery, but the experience and expertise of a licensed legal professional. While the benefits of adding online services to a law firm are numerous, it is this potential to serve the public that should encourage more widespread adoption of online services by the profession.

What are the different structures of online delivery?

The key component to online delivery regardless of the chosen structure for integration is the use of a secure client portal. A secure client portal is a feature posted on a website where the user is provided with their own unique username and password. This information is used to log into a secure account page which is encrypted.

With online legal services for law firms, the client portal is posted on the law firm's website. When the client registers or logs in, they are redirected to a secure space that is hosted by the technology vendor that the law firm has chosen for the purposes of the platform for online delivery. If the firm has created its own custom client portal and account access platform, then it redirects the client out to this space. However, most law firms do not have the thousands of dollars it would take to create a customized account access system. Instead, most firms rely on a form of cloud computing called 'software as a service' (SaaS) to provide the features of a secure client portal.

When a law firm uses a SaaS product to create an online delivery option, it is providing confidential law office data to a third party provider. There are certain ethical issues that may be raised by this, which are discussed in Chapter 4. With SaaS, the technology company that owns the platform provides the lawyer with a license to use the software. The software is hosted on servers which may or may not be owned by the company. Many cloud-based technology providers will actually lease server space from separate companies that own data centers. Data centers are multimillion dollar facilities that are often located in undisclosed locations for increased security. Tier 4 data centers are the most secure level of center and are what the law firm should look for when investigating the hosting capabilities of its SaaS provider. When the license is terminated for the service, the company removes the lawyer's data from the server. Many SaaS vendors will provide geo-redundancy of servers, which means that the data is backed up in data centers in two different locations. Other requirements for selecting a provider are listed in Chapter 4.

After selecting a client portal technology or customizing its own system, a law firm must then decide how it intends to market or brand its online services depending on the strategy for structuring online delivery in the law firm, and for developing an online client base.

There are three primary structures of online delivery, detailed below.

A completely web-based delivery of online legal services

In this model, the lawyer or law firm does not operate a traditional bricks and mortar law office space, but works only with clients online. This model requires that the lawyer provide almost all unbundled legal services rather than full service representation. The lawyer may work from a home office or leased, temporary office space but does not necessarily disclose this location to their clients.

An additional online component

A traditional law firm may add an online component and use it as a marketing strategy as an amenity for existing, in-person, full service clients. The firm may also use it as a way to develop a completely online client base for unbundled services to generate additional client revenue.

A virtual law firm model

A law firm may create a virtual law firm model where both online and in-person services are provided but the lawyers work remotely from each other, communicating through technology to create a law firm culture and working with administrative and support staff online. Both home offices and leased office spaces may be used by lawyers in the firm when needed to meet with clients. This model allows a single law firm to have a broader geographical reach than a traditional law firm and potentially expand its client base across multiple cities and regions.

Who will be in charge?

The first step in the process for integrating online legal services in law practice is the establishment of a clear and achievable strategy for implementation. The law firm may wish to choose one individual who will be responsible for leading the implementation of online legal services, or form a committee that will set a clear and achievable strategy that could successfully be achieved by the firm's existing team of lawyers, staff, and support. The individual or committee spearheading these changes should have a solid knowledge of the internal processes and procedures of the law firm as well as having a solid grasp of the firm's existing technology resources. If the firm has an IT consultant with intimate knowledge of the firm's technology, they should be included in this decision making process but should not be the sole individual guiding the process. They will need assistance from lawyers with experience in the practice areas that the firm will be unbundling to deliver online. The firm would also be advised to keep its members and support staff informed about the progress of these changes. In order for online legal services to be implemented in a law firm, especially with the integration of new law firm technology such as a client portal system, everyone in the firm will need some training and patience in adding this to their regular workday routine. Determining who in the firm will be in charge of spearheading the move to online legal services will greatly facilitate the transition for both the firm and its clients.

Case study: Samuel Phillips

Samuel Phillips is a law firm based in Newcastle upon Tyne serving clients in Tyneside, Wearside, Northumberland, Durham, and elsewhere in the UK through its online service delivery. The firm has a separate website delivering online employment law services and has created an iPhone app which provides information regarding employment law and compliance issues.

Consumers may select from a list of services offered for fixed fees online. After selecting the appropriate employment law document, the consumer purchases it directly online through a secure checkout, completes the questions asked in the document online, and submits it to the firm for review. The law firm reviews the document and it is uploaded to the client's secure client portal access to download and use.

In addition to online document purchase and submitting it for review, consumers may contact a lawyer of the firm at any time for consultation or to move from the online legal service delivery to full services.

Establishing a clear and achievable strategy for online delivery

The decision to deliver online legal services begins with an analysis of the existing law firm structure and services that are offered. There are different ways that online legal service delivery could be integrated into an existing law firm model, as already outlined above. So, how does a firm make the decision about which model of online delivery would be most effective for its clients and its existing business?

Begin with an internal analysis

In order for a law firm to begin the process of deciding what type of model for online delivery it needs and how to integrate online legal services, it must first take a step back and look at its existing practice areas and the services it currently provides to clients in a traditional manner. The firm should start with one practice area at a time and analyze the typical intake and management procedure for the case through to the termination of the relationship with a client. Noting which individuals at the firm are responsible at each step and stage in a case is also important as well as what technology, if any, is used at each stage.

The following list of questions may be a useful starting point:

1. What are the processes and procedures for the creation of new cases?
2. What is the client intake process and how is data collected from the client regarding the matter?
3. Who in the firm works with the client first and how is the matter processed through to associates and partners in the firm?
4. What technology platforms or systems are used with the matter? For example, does the firm rely on a document automation and assembly technology system or use a document management system to pull similar legal documents out for repurposing by the firm?
5. What is the process for meeting with the client? Is this done in the office, by phone, video conferencing, or through a combination of communication methods? With matters such as complex litigation, the task of breaking down the firm's process and procedures may take more time and may be more complicated.

After the firm has answered these questions and gone through this analysis, it will have a better handle on what type of technology, support staff, training, and additional administrative procedures will be needed to add online legal services to the firm’s existing operations. The firm may wish to create a business plan that specifically lays out the firm’s plans to integrate online services and scale them as that part of the practice develops. A basic outline for a business plan for a firm with online legal services is included in Appendix 1 of this report. Business plans for online legal services should be fluid documents that will need to be analyzed and adjusted as the practice develops.

What are unbundled legal services?

Essentially, the above list of questions requires that a firm must ‘unbundle’ its existing practice and then analyze what part of it, if any, might be delivered online. After unbundling its practice, it can then go back and ‘rebundle’ it with the integrated online legal services. Some law firms may be unbundling their services for clients already without realizing they are doing so. Unbundled, or limited scope legal services is the practice of providing the client with only certain portions of their legal need while permitting them to complete the remainder of the task to solve their own legal need. An example would be assisting the client in creating a corporate document, but giving them instructions for full execution of that document and leaving it up to them to complete the matter. There are best practices for unbundling which must be followed and this is discussed in a later section of this report.

Rebundling services with online delivery

After going through the above process, the firm should then analyze the findings by asking the following questions to assist it in rebundling some or all of its services:

1. What processes may be taken online for delivery through a secure client portal space?
2. What existing legal technology platforms or systems does your firm employ that it would need to keep in place or find a way to transfer over to a more robust online client management system? How easily can this data be transferred into a new system? What practice management tools and administrative tasks does the firm most need to have in any online delivery system?
3. Do you want to limit your online services to transactions-based work for online clients, such as limiting your online offerings to legal forms or document generation, or find a way to deliver services online that include guidance and consulting through video conference, real-time chat, and other methods of communication with clients and colleagues online?
4. What would be the acceptance rate by the other members of the firm and support staff if the firm implements these changes? What kinds of training and support would be needed to make these changes internally and then to expose existing clients to them when ready?
5. What is the overall budget for the firm to integrate online legal service delivery?
6. Who will have access to the online legal services besides the lawyers and online clients? Does the firm need a permissions-based system to allow in other parties to review and work on online matters?

What do your clients want? What do they need?

After the firm has evaluated its existing services and rebundled those services that might be most appropriate to deliver online, the firm must consider its client base and which clients would be the most receptive to the online delivery of their services. Online delivery will not be appropriate for all clients or all legal matters. For example, if a firm works largely in the area of elder law where most of the clients are perhaps not as experienced with the use of technology, such as video conferencing or logging into a client portal, this practice area may not find success with an online option for delivery. Likewise, if a law firm handles criminal defence cases or complex child custody matters, these issues are good examples where portions of the matter might be made more cost-effective through the use of a client portal and online delivery tools. However, the nature of the legal matter may require continuous and ongoing representation that would not serve the best interests of the client to be unbundled and delivered online. This step in the process of analyzing the addition of online services requires the firm to really understand its clients' needs and what would best serve them.

In addition to understanding what the client needs in online legal services, the firm may want to poll its clients to determine what online services they want. Do clients prefer to view their billing accounts and invoices online or are they more interested in using a client portal to get updates on the status of their legal matter? Would they be interested in video conferencing with lawyers in the firm or are they more comfortable with real time chat and text-based messages in a discussion board within their online account? Depending on the sophistication of the law firm's clients, their desired methods of communication and receipt of online services may be very different from law firm to law firm and from practice area to practice area. Even if a law firm gets to this stage in the process and determines that it will not be feasible to do a great deal of online legal service delivery based on its legal service offering, this exercise of understanding its clients' needs and wants in terms of traditional or online delivery will provide the firm with a useful knowledge base from which to improve its customer service practices.

The law firm may also want to consider a new target market of clients that it currently does not serve. For example, the firm may wish to provide more bespoke, full services to its sophisticated clients, but may also realize that it has the resources available to provide basic legal services in another practice area that could be packaged and commoditized through online delivery. The firm may wish to establish a very different online client base focused on those unbundled legal services. Existing, full service clients may wish to access the management of their case using the client portal, such as handling online payments and checking the status of the matter, but this will be different than the completely online client who will rely on the client portal as the sole point of access to the law firm and delivery mechanism. If a firm decides to serve clients this way, it will need to understand the different needs and desires of each target client base and expect that there may be differences in the client development and methods of working with both. This will be based on a number of factors, such as income and education level and the general nature of online clients, which tends to be more 'do it yourself' than requiring the handholding of a traditional full service client. The law firm serving the needs of both types of client will want to create different procedures and processes for working with each type ahead of offering these services.

Along with understanding its clients' needs and their reception to online services, the law firm should also gauge the local courts and administrative bodies for their acceptance of online services delivered to clients. For example, if a client receives a legal form online from the law firm with instructions for filing at the courthouse, will the court assist the self-help client in the filing process or require that the barrister be present or file the document personally? The local courthouse or administration may also have restrictions on the use of technology to complete certain tasks in the judicial process. Law firms considering online legal services need to be aware of not only how online services would affect their operations, but also how the services would be received by the public, clients, the judicial system, and others in the profession.

Pricing models

Adding online legal services to a law firm may also require the restructuring of the firm's pricing model to take into consideration the cost savings of using technology to work with clients online. Depending on the level of technology used and the services delivered online, the law firm may be able to produce traditional legal services in often half the amount of time it would take without the use of cloud-based technology. The cost savings that occur with this efficiency should be passed on to the client as reduced legal fees. Additionally, many of the legal services that will be delivered online will be unbundled. Unbundled services lend themselves well to fixed or flat fee prices. If the firm is packaging a bundle of services for clients, it may be easier for the client to understand and budget for a fixed fee for that package rather than to try to guess what the law firm's traditional billable hour might be for the work. In order to determine what prices for online legal services the marketplace will bear, the law firm should go through the following suggested process.

Determine which services make sense for fixed fee prices
These will be services that are easily bundled or packaged and may be delivered almost entirely online. These will be services that the firm will have a decent idea ahead of time how long it will take, using the technology, to complete the work. If the matter has some element of complexity or the unknown to the lawyer, then it may not be the best candidate for fixed fees because it would not be possible to estimate how much time, energy, or resources would be expended by the firm in completing it.

Research competitor prices
Research the prices of online legal services provided by direct competitors. This includes pricing from non-lawyer owned legal services companies as well as law firms.

Calculate cost savings
Determine the cost savings for the firm by delivering the services online rather than with a traditional method. For example, the use of technology allows the law firm to save on average two hours' worth of associate and staff time working with a single client on a certain process.

Determine profitability
Determine how many hours the process will take. Then convert it into billable hours and see if the time spent and fixed legal fee will still amount to a billable hour rate that makes it profitable for the firm to maintain.

Identify the appropriate fixed fee
Balance this fixed fee with the prices offered by competitors. Account for the added value of the law firm's individual expertise. The correct range for the fixed fee should fall somewhere in the middle.

When a firm first begins setting fixed fees for online services, it will need to evaluate the reception of both clients and prospective clients to those rates in the larger legal marketplace. It will also have to balance the revenue coming in through the online clients with any traditional clients who may be under a different billing method, such as the billable hour or contingency fees. Analysis of the effectiveness of the prices will result in small adjustments over time as the firm determines what prices for its online services the legal marketplace will bear.

Another pricing issue that may arise for traditional firms with in-person clients may occur when those clients see the fixed fee pricing for online services and question the different pricing models. It may be necessary for a law firm to explain to its clients the difference between unbundled services delivered online and full service offerings by the firm. It may also be possible to charge a client both the traditional fees for full service while putting them on fixed fees for unbundled or packaged services that they obtain online from the law firm.

Creating the client portal

After determining the needs of the firm and its clients and selecting the appropriate technology and systems to accomplish those goals, the law firm should begin with the basic setup of the client portal. This is a simple process of working with the firm's website developer to insert a login or register feature on the existing home page of the law firm's website. The website developer is provided with the secure URL from the chosen technology vendor, which routes the individual out to the secure site where access is hosted by that third party. This URL is embedded into the image on the firm's homepage, which indicates that an existing client should 'login' to their account or a new user should 'register' for access.

While this basic setup is relatively simple to add to an existing law firm website, the firm should also consider revising its website design and layout to facilitate the marketing and access of the online legal services it intends to offer. For example, prospective clients may benefit from watching a short five minute tutorial video that explains the firm's online legal services or how to register for an account and request legal assistance. The firm may wish to create a separate page in the organizational structure of the website that relates only to the online legal services. This page might list the online services offered, fixed fees for those services, and an explanation of the online process of working with the firm. In terms of using online delivery as a marketing strategy for a law firm, redesigning or adjusting the firm's existing website design to reflect these additional services would help to increase the search engine optimization (SEO) for the firm's site, which drives online traffic to the firm from search engines. If a lawyer is creating a new practice from scratch and does not have a website, they would be advised to work with the website developer to create a site that prominently features the online legal services in the design.

Once the client portal has been set up on the website, the law firm should provide its existing clients with notice of account access. Depending on the technology solution the firm has chosen it may be possible to create accounts and pre-populate them with the clients' existing files prior to giving clients notice of the online services. This will take some time and significant support from members of the firm to pre-populate these accounts by importing existing contact information and the documents and files the firm wants to share with the client in their account. Another method of providing clients with access to the client portal might be to provide them with an e-mail invitation to register for access. This e-mail could provide an explanation of why the firm is offering these additional services and invite the client to register for access. The client may then have the choice of whether or not to do so for themselves; later in the process of working with the client, if they have not registered for access, the law firm may manually assist them in setting up the online access if desired for their case. The method of importing existing clients and/or inviting them into the client portal access will depend on the technology solution that the firm has chosen to use or has built as a custom solution for the firm.

The firm will also need to create and add the Terms of Use for the website, which includes the use of the client portal. This needs to be a static notice on the homepage of the website and accessible to anyone at any time who may be using the site. The firm's privacy policy and any other disclaimers should be referenced in the Terms of Use and also included in static form at the bottom of the home page along with the firm's contact information. These items should be dated so that the user is aware of when they were drafted and last updated. In addition to the static Terms of Use, the registration process for the client portal should require that the prospective client reviews a clickwrap agreement that lays out the terms of use for the online legal services. This document might include such items as an explanation of the nature of unbundled legal services, the methods of online communication, the firm's social media policy, the storage and return of client data in digital format, etc. Sample provisions from a limited scope engagement letter are included in Appendix 2 of this report. Additionally, the technology vendor chosen by the law firm may include sample language for use in the registration process. Once the law firm decides to establish the lawyer-client relationship for online legal service delivery, the firm will send, through the client portal, a more specific limited scope engagement agreement detailing the exact scope of the services to be delivered online. However, for the prospective client registering to request legal assistance prior to working with the firm, the clickwrap language needs to be in the registration process for the client portal. This protects the law firm in terms of its duties to prospective clients.

Reference

1. ABA Legal Technology Survey Report, May 2013, available at: http://apps.americanbar.org/abastore/index.cfm?section=main&fm=Product.AddToCart&pid=2680130PDF.