

10 LEGAL TRENDS TO WATCH FOR IN 2017

As 2016 winds down, here's a quick summary of the top legal industry trends, new and old, to watch for in 2017.

1 E-DISCOVERY CHANGES

The explosive growth of ESI has made for more costly, complex litigation and driven changes to the Federal Rules of Civil Procedure (FRCP).

These changes will continue to shape e-discovery, and roles in e-discovery, technology and litigation support will continue to emerge.



\$1,000,000

Median annual spend on corporate litigation expenditures

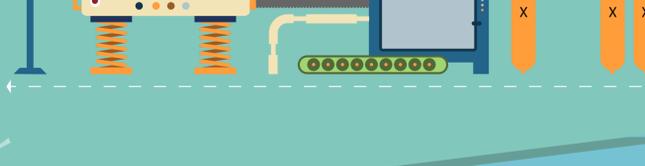
Norton Rose "2016 Litigation Trends Annual Survey"

2 AI AUTOMATES MORE WORK

Artificial intelligence (AI) gets smarter every day. Its potential to automate tasks like TAR, map judicial predispositions to predict rulings or analyze opposing counsel tactics to help prepare defenses continue to grow.

ROSS

The world's first artificially intelligent attorney, built by IBM's cognitive computer Watson, is hired by Baker & Hostetler in 2016.



3 BREXIT AFFECTS PRIVILEGE AND DATA PROTECTION

Currently, Article 50 will be put into motion on March 31, 2017, and preparation for the UK's withdrawal from the EU in two years will begin. The potential effects on privilege and data protection will start to reveal themselves.



69% of people say their explicit approval should be required in all cases before their data is collected and processed

Special Eurobarometer 431 - Data protection, June 2015

4 CHANGES IN FINANCIAL REGULATIONS

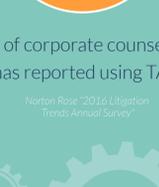
With the new presidential administration comes the possibility of rolling back regulations and repealing of Dodd-Frank.

"The Financial Services Policy Implementation team will be working to dismantle the Dodd-Frank Act and replace it with new policies to encourage economic growth and job creation."

- Donald J. Trump's transition website

5 ANALYTICS APPLICATION INCREASES

To minimize time humans spend on tasks relating to the staggering amount of data present, corporations and firms will turn to analytics to automate intelligent search for e-discovery (through things like clustering and TAR) or to inform future decisions on spend, budgets, bids and more.



60% of corporate counsel has reported using TAR

Norton Rose "2016 Litigation Trends Annual Survey"



85% of firms see technology replacing human resources as a permanent trend

2016 Altman Weil "Law Firms in Transition" survey

6 PROJECT MANAGEMENT GAINS MOMENTUM

To continue profitability and efficiency work, firms and corporations will continue to turn to technology to streamline billing and process management. Similarly, Legal Project Manager (LPM) or Corporate Legal Operations roles will continue to develop.



39.6% of firms offer project management training to increase efficiency of legal services

Norton Rose "2016 Law Firms in Transition"



64% of firms report increased demand from clients for project and budget management

"Matter Management: The Growing Demand for Legal Project Management," Aderant

7 SOCIAL NETWORKS WIDEN INFLUENCE

No surprise here, social networks will continue to transform business and law: recruiting, job hunting, interacting with clients, and locating and even discrediting witnesses. Corporations and firms will continue to use social media as a powerful internal and external marketing tool. Regulations and case law examples will also continue to emerge.



71% of lawyers use social media for career development and networking



24% of lawyers gained a client from social networking

2015 ABA Legal Technology Survey Report

8 GLOBALIZATION AND VIRTUAL WORK GROWS

More lawyers will work remotely, able to easily access documents in the cloud, conduct depositions remotely and more. The increase in work-life balance will mean money savings for firms. Another way firms will save is by turning to Legal Process Outsourcing (LPO) to outsource some of their work to external vendors overseas and domestically.



10% of lawyers report their firm is a virtual law practice

"Virtual Law Practices and eLawyering on the Rise in 2015," mycase

9 AFAs BECOME MORE MAINSTREAM

Whether inside or outside, more will turn to AFAs for an alternative approach to the billable hour for contracts, M&A and litigation, leaving behind overbilling and inefficiency. AFAs will help corporate counsel keep costs down and encourage communication between firms and clients about expectations, strategy and scope.



60% of CLOs used AFAs or fixed-fee arrangements in previous 12 months

2015 Altman Weil "Chief Legal Officer Survey"

93% of Firms used AFAs in 2015

2015 Altman Weil "Law Firms in Transition" survey

41% of Corporate Counsel anticipated increase in use of AFAs

Norton Rose "2015 Litigation Trends Annual Survey"

10 ALTERNATIVE LEGAL SERVICE DELIVERY MODELS INCREASE

In the crowded legal market, firms will continue to try and differentiate themselves through project management, legal globalization, AFAs, and increasingly outsource work through sources like offshore legal vendors, paralegals, managed review, etc. as a way to increase their profits while keeping costs down.



82% of firms anticipate competition from non-traditional service providers is a permanent trend

Norton Rose "2016 Law Firms in Transition"

Many of us can agree that 2016 was a most unpredictable year. And while we don't know exactly what the new year will bring, we're confident that these trends will be among the top in the legal industry. We encourage you to keep an eye on them and consider the changes your department or firm can make to increase your advantage in 2017.