Why law librarians and legal information professionals should translate data and analytics into insights and advisory knowledge to help law firms and clients stay competitive.

BY JORDAN FURLONG

This past summer, I gave the keynote address to the Private Law Librarians & Information Professionals (PLLIP) Special Interest Section Summit X: The Path to 2030, in Washington, DC, during the American Association of Law Libraries Annual Meeting. The title of the presentation was “New Horizons: How Law Librarians and Legal Information Professionals Can Redefine Law Firms in the 21st Century.” The following is a brief summary of those remarks.
Now, however, this law firm profitability secret is becoming a handicap. Commodity work is migrating from law firms and moving to more efficient and cost-appropriate platforms, including managed legal services companies and low-cost/offshore centers. These two types of work have always existed in law firms, of course. But one of the profitability secrets of law firms is that they perform commodity work the same way they perform complex work: sequentially, laboriously, by-the-lawyer-hour. This is the key feature of the law firm leverage model: bill associates’ on-the-job learning efforts on basic tasks and reap the resulting profits.

Now, however, this law firm profitability secret is becoming a handicap. Commodity work is migrating from law firms and moving to more efficient and cost-appropriate platforms, including managed legal services companies and low-cost/offshore centers. These providers are winning this work because they have designed systems and trained people to carry out these tasks faster, cheaper, and more efficiently than law firms can.

Law firms could keep this work if they were to adjust their workflow, pricing, and profitability approaches; that is, if they would perform commodity work efficiently and systematically, as it should be done. But law firms just aren’t set up to do that, structurally or culturally, and few are even trying.

Where Do We Go From Here?
As commodity work leaves firms and associate roles go with it, many firms will start to shrink down to a core group of partners and a few partner-track associates, all chasing a decreasing amount of complex client work. That’s not a strategy for long-term sustainability and success, but it’s the strategy most firms seem to be adopting, and therefore, it’s what law firm libraries and legal information professionals will have to deal with.

How will law firms win the fierce competition for complex work? Constantly poaching big-name partners from rival firms is an expensive game that nobody wins, except for the migratory partners who command ever-higher revenue guarantees at each stop. Evidence shows that laterally acquired partners tend to stay for shorter periods and are more likely to leave their new firms than home-grown partners.

And therein lies the problem for firms: If they want to pursue complex work, then they need to rely on experienced lawyers to do it. But experienced lawyers are an essentially mobile and unstable asset—they can (and frequently do) walk out the door anytime they feel like it. It’s like building your house on shifting sands, when what you really want is a solid, stable foundation underneath you.

The solution to this problem is for law firms to develop fixed capital assets—value-generating resources that won’t demand higher compensation or desert the firm for a better offer down the road. These kinds of assets must be grounded in the key feature that law firms use to perform complex legal work: “advisory knowledge,” insights that help solve the most challenging client issues and deliver the greatest amount of client value.

The best and most experienced lawyers possess a great deal of advisory knowledge—but even the most brilliant...
lawyer can’t acquire and maintain the vast storehouses of information needed to serve today’s complex client needs. Individual lawyer brains need to be supplemented by large “institutional brains” that are always up to date and ready to contribute insights. Law libraries can and should develop these institutional brains so that they can become powerhouse advisory knowledge engines.

**Top Three Types of Advisory Knowledge**

Three types of advisory knowledge are particularly important for law firms:

**Client Intelligence**
Deep current knowledge of the client’s business, organization, strategy, markets, customers, competitors, governing regulations, pending innovations, etc. Major corporate clients are pressing their favorite outside counsel to be their partners and collaborators, which will require these firms to make serious long-term investments of time and effort into knowing their best clients inside out.

**Embedded Firm Knowledge**
Law firms have never done a great job of identifying, distilling, and leveraging the collective knowledge of their lawyers—mostly because lawyers have been very good at resisting these efforts and hoarding their insights. But renewed efforts to curate and deploy not just the firms’ knowledge, but also their experience and expertise, will separate the good firms from the outstanding ones.

**Data and Analytics**
We’ve only scratched the surface of what kinds of legal data can be collected and what insights can be generated from analyzing that information. But we already know, for example, that judges’ propensities can be charted, litigation and negotiation outcomes can be estimated, and firms’ pricing habits can be enumerated, all of which is information that would be highly valuable to clients facing major litigation. There’s much more of this to come.

**Going Forward**
Law librarians and legal information professionals might not be the primary sources for acquiring this raw data. Other members of the firm (finance, IT, marketing, etc.) could be the primary “miners” of information about the law, the firm, and its clients, while knowledge professionals could be the main “refiners” of that data, translating it into advisory knowledge to be distributed to lawyers (or even directly to clients). Truly sophisticated legal knowledge supply chains will anchor future law firms, and the law library should be the focal point of that process.

Law firms that want to win the highest-value, most complex work from clients will need more than just smart lawyers. They will need powerful knowledge engines to augment and amplify the skills of those lawyers, while also constituting capital assets that accrete in size and value every year. Law libraries and legal information professionals hold the key to assembling and growing such engines, and they are, therefore, the key to the future sustainability and competitiveness of the firms themselves.

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