

# LawNet and Marketing to Lawyers

## 2004 Survey of IT Leaders in Law Firms of More Than 200 Attorneys

What are the purchasing habits of IT leaders in law firms with more than 200 attorneys? For the fourth year in a row, LawNet and marketing consultant Tracie Burns asked LawNet members in the country's largest law firms. The survey took place online over a two-week period in July, 2004.

We had 32 respondents this year, only 19% of the 165 qualifying member firms. According to the *National Law Journal*, there are 198 law firms in the US with more than 200 attorneys, so 83% of qualifying firms were questioned.

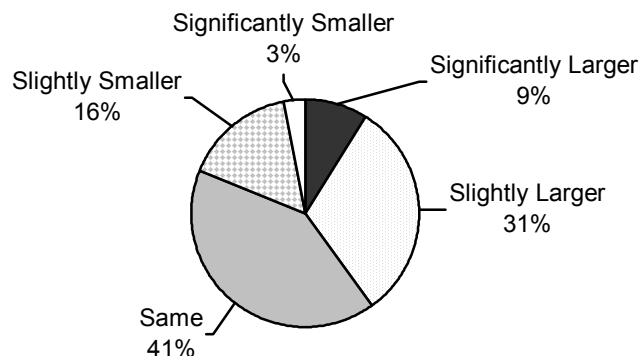
Of the respondents, **91% were decision makers** on high-level technology purchases. 16 of the 32 respondents, 50%, were the final decision makers in the technology buying process in their

firms, and another 13, 41%, were members of the decision making team. Of the remaining three respondents, two were decision "suggestors" and one was an "influencer."

56% had the title of "Director," up from 43% in 2003, while 9, or 28%, were CIOs or CTOs. There were four "Managers" and one Deputy Director.

**41%** of respondents had **budgets of the same size as the previous year**, up from 20% who answered the survey in 2003. 40% had budgets that were larger than they did in 2003, 9% of which were "significantly larger." 19% had smaller budgets than in 2003, but only 3% were "significantly smaller."

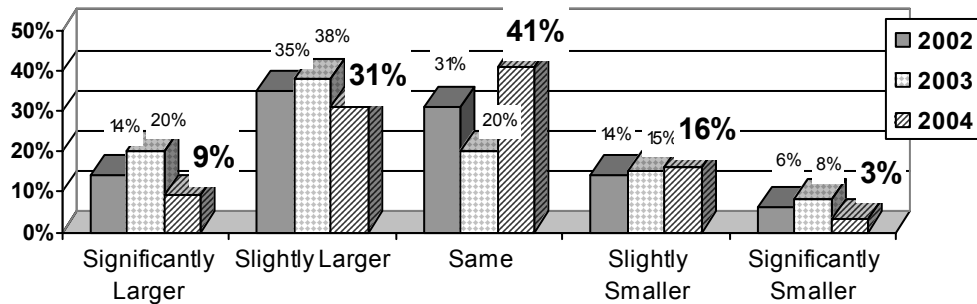
### 2004 Budget for Purchasing Technology Compared to 2003 Budget



#### Bullet-Proof Integration – Is That So Much to Ask?

86% of the respondents who answered the question said what they wished a software would do, that no software currently does, is *integrate everything*, including cross-platform and virtual information. The one non-integration-based answer was "be much more bullet-proof." Who can argue with that?

## Tech Budget Compared to Previous Year



### If your budget was **LARGER** in 2004, why?

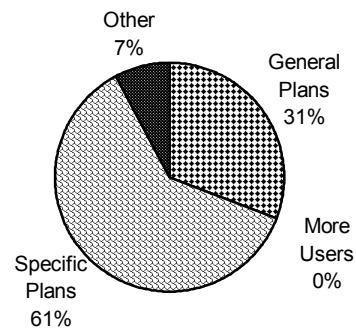
Of the 13 respondents who said their budget was larger this year, 8 or **62%** said that they had **specific plans** to spend more money on **specific technology** than they did in 2003.

4, or **31%**, had **general plans** to spend more money on technology.

The one "Other" said "We are going through a forklift upgrade."

Unlike in other years, no respondent said that that the budget was larger because of more users.

### Why Larger Budget in 2004?



### If your budget was **smaller** in 2004, why?

Of the 6 respondents to the question, 5 said that this year's technology just happened to cost less than last year's, while one said the firm was **tightening all expenses**.

**Did your firm cancel or delay planned technology purchases because of the economic downturn?**

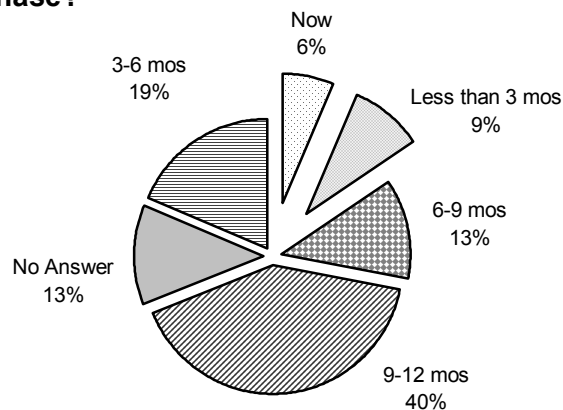
**16% still said YES**

5 said that technology had been delayed, predominantly hardware and phone infrastructure.  
**4 intend to go forward, but only 1 is going forward now; the rest are still delayed.**

**Purchasing cycles are getting longer**

**15% ARE MAKING NEW TECH PURCHASES IN THE NEXT 3 MONTHS.  
 53% WILL TAKE 6-12 MONTHS.**

**When Are You Planning to Make Your Next Major Technology Purchase?**



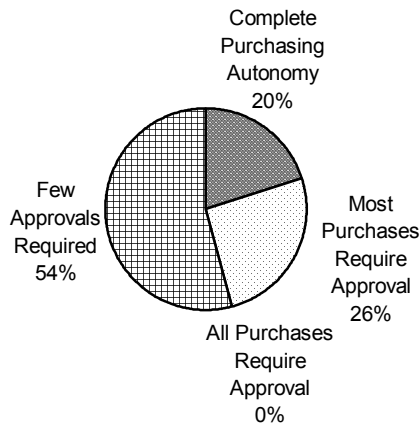
**In 2003, the %s were:**

Now	3%
Less than 3 mos	3%
3-6 mos	17%
6-9 mos	32%
9-12 mos	37%
More than 12 mos	3%
Don't Know	5%

**In 2002, the %s were:**

Now	17%
Less than 3 mos	8%
3-6 mos	32%
6-9 mos	26%
9-12 mos	13%
More than 12 mos	0%
Don't Know	4%

## Purchasing Autonomy

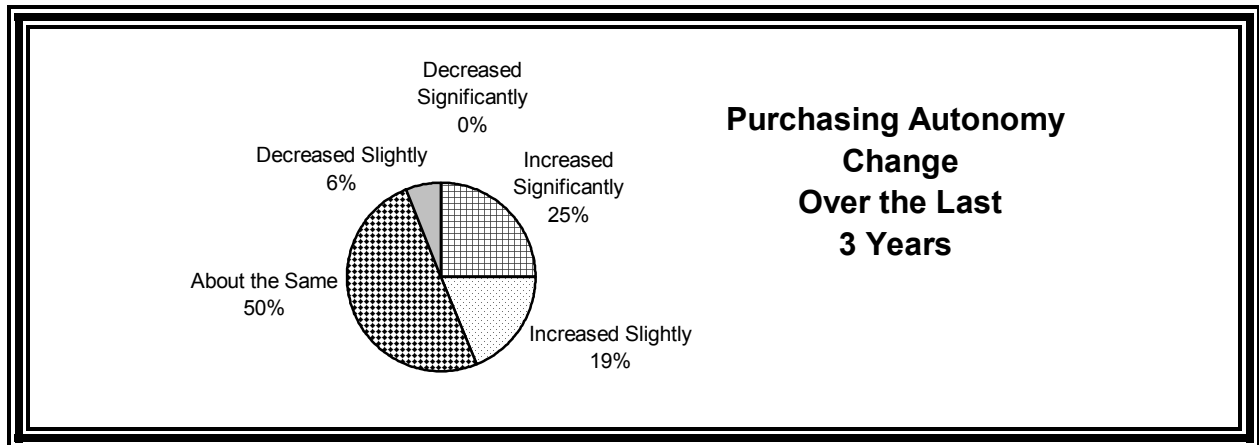


Only 7 of our 32, 22%, stated that they have complete purchasing autonomy – slightly lower than in previous years. 59% now have a few items that they have to get approved, and 9% have to have most purchases approved.

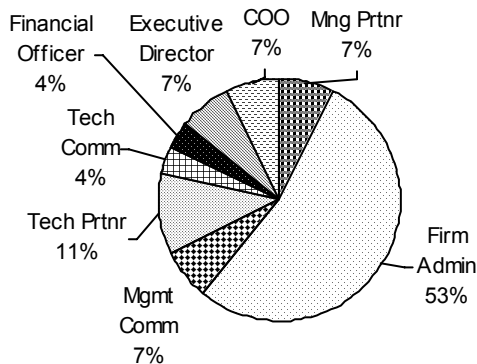
No respondent said that they had to get every buy approved or that they had no purchasing autonomy.

44% of respondents say their autonomy has increased over the last three years. That's up from 40% in 2003. 50% of the respondents say their autonomy has stayed about the same; "same" got 48% in 2003 and 38% in 2002.

Two respondents said that their autonomy has decreased slightly in the last 3 years; 5 mentioned a decrease last year.



## Outside IT, Who Has Final Sign-Off?



### Firm Administrators Still Make the Tough Decisions

15 of the 32 respondents said that the firm administrator has the final say on purchasing decisions, but that's even among those who say they have complete autonomy. The technology partner came in second with 3 votes.

While the financial officer for the firm appeared on the survey for the first time last year, getting all 3 of the "Other" votes, that position got only one vote on this year's survey.

## What was/were the last major tech purchase(s) your firm implemented?

32 respondents gave 212 answers. Items ranking notably **higher** than last year are **bold**. Those notably **lower** are underlined.

	<u>2004</u>	<u>2003</u>
Laptops/Notebooks	38%	38%
Desktop Hardware	<u>34%</u>	<u>50%</u>
<b>Network upgrade</b>	<b>34%</b>	<b>25%</b>
<b>Remote Access technology</b>	<b>31%</b>	<b>23%</b>
Storage Area Network	<u>31%</u>	<u>53%</u>
<b>e-Mail add-ons (anti-virus, anti-spam, anti-spyware, etc.)</b>	<b>31%</b>	<b>NA</b>
<b>Litigation Support</b>	<b>31%</b>	<b>15%</b>
Wireless Devices (Palms, Blackberries, etc.)	28%	25%
e-Mail upgrade	25%	23%
Document Management	25%	25%
<b>Imaging/OCR</b>	<b>25%</b>	<b>10%</b>
OS upgrade	22%	20%
<b>Metadata Scrubbing software</b>	<b>19%</b>	<b>NA</b>
Microsoft Office upgrade	19%	23%
Business Continuity systems	16%	15%
<b>Courtroom technology</b>	<b>16%</b>	<b>NA</b>
<u>CRM/Contact Management</u>	<u>16%</u>	<u>30%</u>
Telephone System upgrade	16%	20%
Wireless Network	16%	13%
VoIP	13%	13%
Records Management	13%	15%
Docketing	13%	10%
Case Management	13%	3%

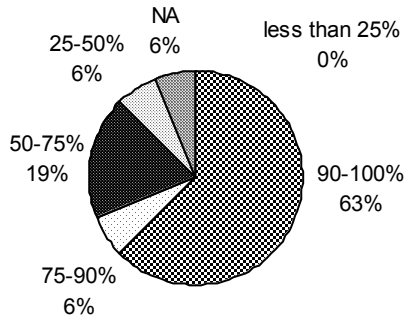
<u>Internet/Intranet</u>	<u>13%</u>	<u>28%</u>
Business Intelligence Software	9%	NA
Cost Recovery system	9%	10%
Extranet hardware or software	9%	15%
Database system (SQL, Oracle, etc.)	9%	13%
Off-site backup	9%	10%
Patch Management software	9%	NA
<u>Accounting system</u>	<u>6%</u>	<u>25%</u>
e-Mail Management Software	6%	13%
<u>Voice Mail upgrade</u>	<u>6%</u>	<u>15%</u>
Document Comparison software	3%	NA
e-Billing Software	3%	3%
Help Desk Applications	3%	NA
Intake Analysis software	3%	5%
<u>Onsite Backup</u>	<u>3%</u>	<u>20%</u>
Portal	3%	10%
<u>Security/Encryption</u>	<u>3%</u>	<u>13%</u>
Smartphones/Softphones	3%	NA
Time Keeping system	3%	10%
User Monitoring technology	3%	3%
Word Processing add-on	3%	3%
ASP	0%	8%
Bill Auditing	0%	3%
Calendaring	0%	5%
Research	0%	3%

**The Others:** The 6 "Other" answers that were given were: updating infrastructure, uninterrupted power supply, Human Resources Management system, website upgrade, workflow automation and West KM.

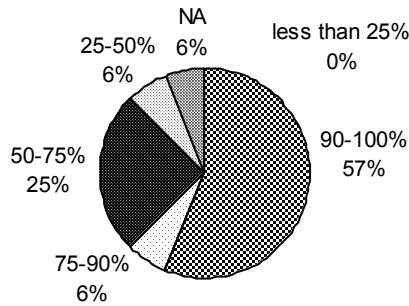
## Did these new purchases make you happy?

Unlike previous years, no respondents gave any answer besides Very Satisfied (15) or Satisfied (14) about their new tech purchases. When rating their **users satisfaction**, however, the ratios changed. Only 12, or **38%** said that their users were Very Satisfied with the new technology. 17, or **53%**, said their users were Satisfied. But 2, or 6%, said their users were Somewhat Unsatisfied – about the same as in previous years.

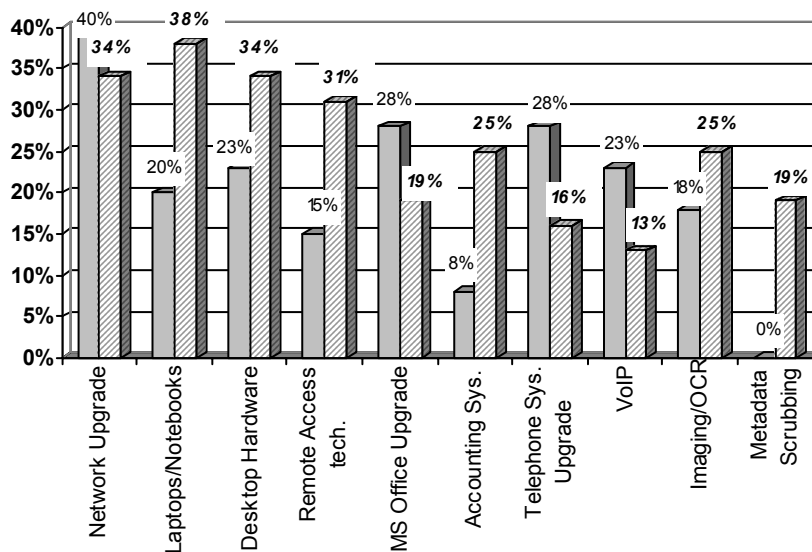
### What percentage of your users did the new technology affect?



### Percentage of those actually using the new technology?



### Comparing 2003 plans to 2004 purchases



What they said they were going to buy in 2003  
 What they bought in 2004

### What is/are the next major tech purchase(s) your firm plans to make?

32 respondents gave 171 answers. Items ranking notably **higher** than last year are **bold**. Those notably lower are underlined.

	<u>2004</u>	<u>2003</u>
<b>Desktop Hardware</b>	<b>32%</b>	<b>23%</b>
Telephone system upgrade	29%	28%
<u>Network upgrade</u>	<u>26%</u>	<u>40%</u>
Laptops/ Notebooks	23%	20%
Litigation Support	23%	25%
e-Mail upgrade	23%	20%
Microsoft Office upgrade	23%	28%
VoIP	23%	23%
Wireless Network	14%	10%
e-Mail Management software	19%	23%
Docketing	19%	15%
Records Management	19%	13%
Storage Area Network	16%	13%
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CRM/Contact Management	13%	15%
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<u>OS upgrade</u>	<u>13%</u>	<u>23%</u>
Wireless Devices (Palms, Blackberries, etc.)	10%	15%
Network Dictation system	10%	NA
<u>Portal</u>	<u>10%</u>	<u>20%</u>
<u>Accounting system</u>	<u>10%</u>	<u>18%</u>
Case Management	10%	13%
Cost Recovery system	10%	8%

<b>e-Mail add-ons (anti-virus, anti-spam, anti-spyware, etc.)</b>	<b>10%</b>	<b>NA</b>
<u>Imaging/OCR</u>	<u>10%</u>	<u>18%</u>
<u>Internet/Intranet</u>	<u>10%</u>	<u>18%</u>
Business Intelligence	6%	NA
Calendaring	6%	5%
e-Learning applications	6%	NA
Extranet hardware or software	6%	5%
Intake Analysis software	6%	3%
e-Billing Software	3%	0%
Help Desk applications	3%	NA
Metadata Scrubbing software	3%	NA
Patch Management software	3%	NA
<u>Remote Access technology</u>	<u>3%</u>	<u>15%</u>
Research	3%	3%
Smartphones/Softphones	3%	NA
Time Keeping system	3%	5%
Tablet PCs	3%	NA
User Monitoring	3%	3%
Voice Recognition	3%	0%
Word Processing add-on	3%	3%
WP-only upgrade	0%	3%
On-site Backup	0%	5%
Database system (SQL, Oracle, etc.)	0%	3%
Bill Auditing	0%	0%
ASP	0%	0%



**For the 4<sup>th</sup> Year in a Row  
The Winner and Still Champion. . .**

**BlackBerry!!!**

16 respondents, **52%** of our poll, gave BlackBerry as the answer to: What is **the most popular technology purchase you have made for your firm in the last three years?** Spam Control/Management makes its debut at number 2 with 23%. Nothing else got more than 2 votes.

## No Clear Winner in “Cool”

Telephone technology is still tops, but only 3 of the 19 LawNet respondents who gave 20 answers to this question chose **tele-tech** as the coolest new technology idea they had seen recently. Tele-tech was number one for the last two years as well – 35% in ‘03 and 21% in ‘02 – but this year there were three different answers: Treo 600, smartphones, and softphones. VoIP, hot in previous years, fell off the list.

Also receiving 3 votes this year were **wireless technology** and **Tablet PCs**. **VMWare** and **network security** got 2 votes each. Document management got 2 votes – one via Blackberry, one via ASP.

### HOWEVER!

**BlackBerry still won as the coolest new tech that lawyers would actually use**

This is the fourth year in a row BlackBerries were chosen as coolest usable tech – and like last year, it was with only three votes from the 15 who answered this question.

The only other technologies with multiple responses were **Tablet PCs** with two votes, and the same three answers on Tele-Tech as the respondents on the left.

## What are you NOT going to purchase this year?

There’s no theme or overall agreement to this one. Three items got more than one vote – **DMS, Knowledge Management, and Desktop Faxing** each got 2 votes of the 14 mentions. Perhaps these responses relate to the maturity of the products in place at the respondents’ firms.

## Do you participate on any listservs outside of LawNet?

### 72% said NO

Although only 56% said no in 2003 and 57% said no in 2002, we’re back up to 2001 rates, where 70% said listservs (outside of LawNet) weren’t on their lists. Of the 9 respondents who said they did participate on other listservs, no answers were duplicated.

Lawyers are really warming to IT purchases.

## Only 9%

of respondents report that they have purchased technology over the last couple of years that **attorneys just would not use**.

That’s down from 15% last year, 23% in 2002 and 34% in 2001.

## IT Dept. v. Attorney Reading Habits Regarding Legal Tech Pubs

**Peer to Peer came back!** Although dropping below a 50% readership among respondents last year, **66%** now say they read the LawNet publication, although only 3% said their attorneys do.

The other 3% news was that only 3% said that their attorneys weren't influenced by any legal tech publications. In 2003, 20% said that their firm attorneys read NO legal technology publications, and in 2001 that number was 49%. That barrier has really come down!

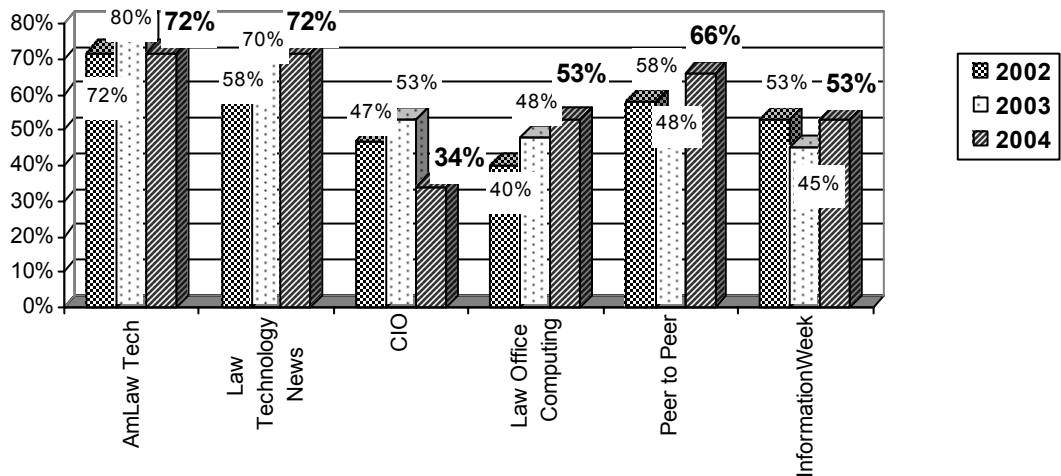
**AmLaw Tech**, the quarterly technology magazine that is included with a subscription to *American Lawyer*, was for the fourth year in a row the **number one** publication with both the

LawNet member respondents and their attorneys. **AmLaw Tech** was read by **72% of the respondents and 50% of relevant attorneys**.

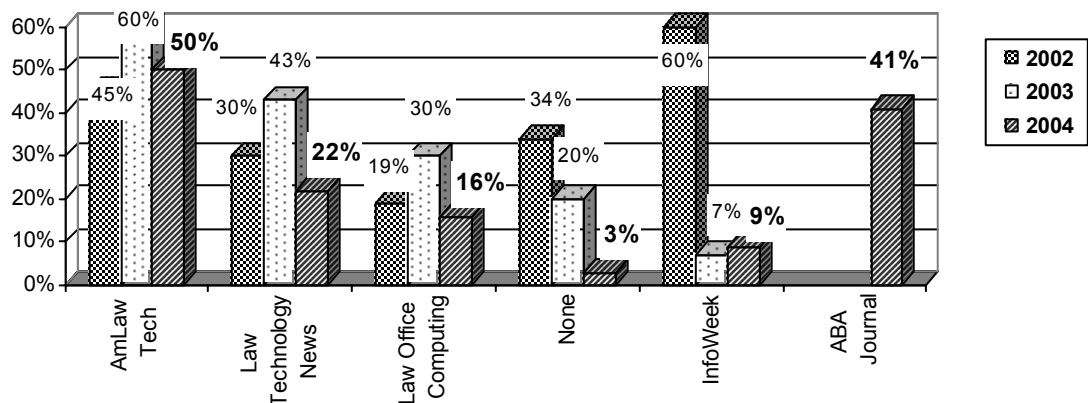
*ABA Journal* was included in the poll for the first time this year. Although the respondents don't read it (only 1 checked it), **41%** say that their attorneys are influenced by tech info in that monthly magazine. That made it 2<sup>nd</sup> with the lawyers.

Second with the respondents was monthly free magazine *Law Technology News*. Its readership rose to **72% of respondents**, but dropped to **22% of attorneys**, down from 43%. Despite the drop, it was in 3<sup>rd</sup> place with that audience.

### Respondent Tech Reading Habits



### “Influencing Attorney” Tech Reading Habits



## What Sections Do You Regularly Read?

	<u>2004</u>	<u>2003</u>
Articles about how law firms use technology	91%	99%
Articles about new technologies	91%	88%
Articles that compare similar technologies	69%	65%
Product reviews	63%	60%
Product announcements	59%	45%
Legal technology company news	50%	40%
<b>Advertisements</b>	<b>44%</b>	<b>45%</b>
People announcements	28%	38%
Announcements and info re: trade shows	25%	25%

44% of the IT leaders at the country's largest law firms admit to reading advertising regularly!!

### Get Into the Publications!

In addition to showing the value of advertising, this group of statistics shows that the value of writing and placing articles in legal publications can't be overstated.

## How Do You Get Info About New Technology?

(218 responses from 32 respondents)

	<u>2004</u>	<u>2003</u>
<b>Colleague recommendation</b>	<b>84%</b>	<b>75%</b>
LawNet Annual Educational Conference	66%	63%
Articles in Legal Technology publications	63%	80%
Consultant recommendation	47%	53%
LawNet listservs	47%	53%
Internet	47%	45%
<b>Advertisements</b>	<b>41%</b>	<b>33%</b>
Articles in non-legal technology publications	31%	40%
Attorney recommendation	31%	35%
e-Mail	31%	33%
<b>Local LawNet meetings</b>	<b>31%</b>	<b>15%</b>
Product Seminars	28%	25%
Sales rep demo	28%	30%
LegalTech trade shows	25%	50%
Other trade shows	25%	28%
Vendor-Specific Websites	22%	28%
Direct Mail	19%	13%
Other listservs	6%	10%
TechnoLawyer	3%	13%

**Hey Vendors!** If you're participating in your local LawNets, you're getting your information noticed!

## Based upon which have you made a product buying decision in the last year?

(99 responses from 32 respondents)	<u>2004</u>	<u>2003</u>	<u>2002</u>
Colleague recommendation	47%	40%	57%
Consultant recommendation	34%	40%	30%
Sales rep demo	34%	40%	28%
Articles in legal technology publications	34%	28%	13%
LawNet listservs	22%	20%	19%
Product Seminars	19%	10%	8%
LawNet Annual Educational Conference	16%	38%	15%
Attorney recommendation	16%	30%	28%
Internet	16%	15%	19%
Advertisements	13%	10%	6%
LegalTech trade show	13%	10%	11%
Local LawNet meetings	13%	5%	9%
Vendor-Specific Websites	13%	8%	2%
Articles in non-legal technology pubs	9%	18%	11%
Other Listservs	6%	3%	0%
e-Mail	3%	5%	8%
Other trade shows	3%	3%	9%
Direct Mail	0%	3%	0%
None	3%	0%	8%

Reps, consultants, and colleagues (**which means fellow LawNet members**) have been the 3 top decision-making pushes all 4 years of this survey.

This year, articles in legal technology publications moved up and attorney recommendations dropped. While the LawNet Annual Conference dropped this year, the attendance at conference continues to rise, and we believe that the stats reported here are anomalous based on the low response rate and the narrow demographic.

## In your firm, where do the technology suggestions that get implemented usually come from?

(73 answers from 32 respondents)

	<u>2004</u>	<u>2003</u>
The IT department	97%	98%
Attorneys in the firm	77%	68%
Clients	26%	30%
Outside technology consultants	19%	19%
Corporate counsel	6%	9%

## Consultant Stats

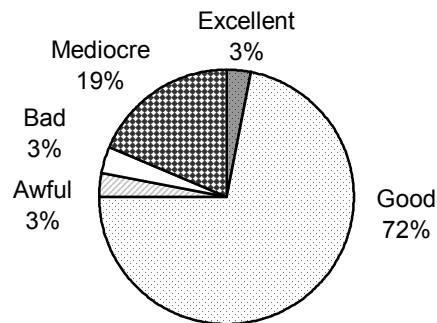
**34%** have recently used a consultant to make a buying decision.

**19%** say the tech in their firms usually comes from consultant suggestions.

**63%** say that very few of the firm's tech purchasing decisions involve a consultant recommendation.

**16%** say that 1/4 of their firm's tech buying decisions involve a consultant; another 13% say no decisions involve a consultant.

## In general, how is the customer support legal vendors provide to large firms like yours?



Client service is perceived as 91% good to mediocre in the big firms. There was only 1 “excellent” vote, as opposed to 3 last year, as well as one each for “bad” and “awful” – about the same as in previous years.

## What legal vendors have provided you with exceptional customer support in the last year?

14 respondents gave 29 answers to this question, but only five companies got more than one vote. **Interface/InterAction**, the big winner in 2002, got the most votes this year at 3, after dropping off the survey in 2003. **Payne Consulting** and **Microsoft**, each of whom received 2 votes in 2003, again received 2 votes each. **Summation** and **Postini** also received two votes, appearing on the survey for the first time.

This survey was created and administered by



**LawNet, Inc.**

### An Independent Network of Legal Automation Professionals

Reach the LawNet organization of legal technologists by contacting Peggy Wechsler at 210-481-5451 or [peggy@peertopeer.org](mailto:peggy@peertopeer.org). Special thanks to Peggy, Randi Mayes and Jeanne Martinez for their work on this project.



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