



How to Overcome the Skills Shortage



A LEAP *HOW-TO* SERIES

Skilled lawyers and support staff are in shorter supply than ever, so when a good person walks out of your law firm, the loss is keenly felt. This phenomenon is not new, but it is growing, burgeoned by record low unemployment, increased competition, and newer firms that embrace the latest technology.

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Risky once-in-a-generation skills shortage poses existential threat to firms



During 2022, unemployment had hit historic lows. Early 2023 has seen some newsworthy layoffs in the tech sector, but the overall unemployment rate remains very low. This is the major cause of the skills shortage.

In the United States, the jobless rate has dropped to 3.5%, the lowest since 1969. As employers struggle to retain good staff, average earnings rose.

Canada's unemployment rate experienced a slow but steady decline down to just over 5% prior to COVID. After a pandemic-related spike in early 2020 to nearly 14%, the Canadian jobless rate has quickly fallen back to near historical lows of 5%.

Employers are now facing a once-in-a-generation skills shortage. Employees, armed with more options than ever, are constantly on the move to greener pastures. Where once the loss of a good person was a burden, the inability to replace a good employee may now pose an existential threat to your business.

Rather than push existing employees to work longer hours — potentially a risky move in an employee's labour market — technology can help law firms do more work with the same number of people. Technology can also automate the dull administrative tasks to help get your lawyers home on time — a promise your competitors often cannot offer.

Legal support roles like legal secretaries and bookkeepers are no longer as popular, as people seek high-prestige employment with the promise of strong wage growth. Junior lawyers currently complete this work, but this solution is costly and the work menial. Indeed, the very fact that this work is menial means technology can step in — better, faster and cheaper than an employee.

Competition for your staff is also coming from new entrants to the legal market — including NewLaw firms and larger accounting firms (NewLaw firms use technology or different approaches to workflow, practice management or billing, to attain a competitive edge). Large accounting firms are capitalizing on their sheer size and scale to offer a full suite of professional services — essentially, a one-stop shop for professional services. Both are becoming attractive career options for lawyers, particularly mid-career or senior lawyers.



A simple solution

In adversity lies opportunity. Using good technology can offer employees more rewarding careers filled with valuable, interesting work. Good technology can do away with dull, repetitive, and unbillable administrative work. You can attract and retain the best people, because they want to work with the best technology. If your technology is not up to the task, the best people will leave.

Law firms which provide advice in common areas of law can deliver a stable career path, as demand is well-established for the areas of law they offer. They are free of the bureaucracy of large firms, and of the startup chaos common to emerging NewLaw players, who seek to innovate in what can be viewed as the staid, traditional law firm's way of doing things (and who don't always succeed). Smaller law firms use their reduced bureaucracy as their final advantage, making them nimble enough to move quickly, adopt good technology, and adapt to deliver superior client service and flexible working conditions.

Legal technology is freeing lawyers to work flexibly. Law firms that can offer genuinely flexible working conditions are luring lawyers exhausted by 50+ hour weeks in the office. By maximizing the use of technology and implementing flexible working conditions, law firms can attract and keep top talent. Technology can also allow legal support staff to work flexibly across multiple law firms, so lawyers can continue to work with the support staff they trust.

This whitepaper explores how law firms can stay competitive and overcome the skills shortage. *Follow the Action Checklists throughout this paper for guidance on how your law firm can overcome the skills shortage.*



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1. Use technology to get your lawyers home on time

Technology is both the cause of and solution to your skills shortage. In the past decade, technology has shrunk the work of legal bookkeepers from full-time to freelance, and automated much of what legal secretaries, paralegals and junior lawyers do. More than ever, lawyers are empowered to focus on billable client work, requiring high-tier legal analysis and emotional intelligence.

Less staff means lower overheads, but it also means fewer lawyers. This can make the departure of a skilled lawyer particularly difficult. With fewer graduates hired and trained, skills shortages are impacting firms of all sizes at the mid-career level.

Attracted by the promise of flexible work and perks like casual wear and being able to go home on time, skilled lawyers are flocking to NewLaw firms.

However, service portal technology and effective legal practice management software already give law firms all they need to compete.

A recent study showed that 40% of online appointment scheduling is occurring after hours. Service portals allow clients to request or reschedule an appointment at a time convenient to both of you. Prospective clients can also complete instruction forms online, providing essential information about their case.

Automation like this replaces the time-consuming back and forth of phone calls and emails and eliminates the risk of information lost to misplaced post-it notes or manual instruction forms. Clients can give you the information you need during their daily commute, rather interrupting your workflow during business hours.

By accepting appointments and instructions online, you can have a clearer idea of a client's needs before meeting them or taking them on as a client. This can allow you to focus on high-value work and develop your expertise.

Act! | Checklist:

- ☐ Identify tasks in your workflow that are non-billable and time-consuming.
- ☐ Speak to your lawyers to understand how their non-billable time is being spent.
- ☐ Explore Service Portal technology and practice management software to automate non-billable tasks.
- ☐ Reduce administrative 'busy work' and keep your lawyers focused on billable work they prefer.

2. Offer flexibility to win back your staff

Where did all the lawyers go? In many cases, they aren't gone at all. Parenthood can interrupt lawyers mid-career, and for some, this setback is permanent. This doesn't need to be the case. Female lawyers now comprise over half the legal profession, but their ranks dwindle in management roles.

By using effective legal practice management software, you can allow your lawyers to work wherever they are. This makes juggling after school pick up and caring for sick children that much easier for a working lawyer.

A typical day no longer needs to mean being in the office at 7:00am and leaving at 11:00pm. With good practice management software like LEAP, your lawyers can work between court sessions, or add new matters on their mobile after a client meeting. LEAP allows lawyers to work the way they truly want — and helps you win back your best lawyers.

Good practice management software empowers law firms to provide genuinely flexible work conditions. Not only is this demanded by more and more lawyers, but it also allows you to save on office costs, desk space and other work perks.

Lawyers can work remotely with the professional support staff they trust. As automated accounting systems enable lawyers and paralegals to do more work themselves, the workload of legal bookkeepers is substantially reduced. By using good practice management software, legal bookkeepers can work more efficiently for multiple law firms.

Act! | Checklist:

- ☐ Better understand the personal pressure points for your lawyers — for example, child care or elder care responsibilities, side hustles or hobbies.
- ☐ Integrate good legal practice management software that lets lawyers work faster and more effectively.
- ☐ Use good legal practice management software and workflow tools to allow lawyers to work with legal secretaries and bookkeepers they trust — whether they are in the office or working from home.
- ☐ Downsize office costs, desk space and meeting rooms by empowering your workforce to work remotely.

3. Invest in eradicating the skills shortage; train junior lawyers

Junior lawyers are facing a Catch-22 when it comes to getting their first job. They don't yet possess the project management skills, commercial networks or emotional intelligence to effectively attract and retain clients. They also lack the legal expertise or business acumen necessary to make them valuable lawyers. However, it is impossible to gain any of these attributes without first getting a job.

A recent McKinsey report suggests that up to 46 per cent of jobs may be at risk from automation. Junior lawyers are most at risk, especially where law firms do not have a plan in place to train and upskill junior lawyers in a different way.

Up-to-date legal guides can provide junior lawyers with the crucial training they need to progress. Within these guides, detailed matter plans provide practical guidance, so a junior lawyer can learn how to complete legal work in areas of law they may not have previously encountered. These matter plans take junior lawyers through the step-by-step process of a matter, providing the mentoring and guidance of a senior lawyer. However, senior lawyers are still able to work, and junior lawyers are able to effectively self-learn.

Legal commentaries educate junior lawyers on relevant legislation and case law and are regularly updated by experienced legal practitioners. Precedents mean that a junior lawyer rarely needs to draft correspondence from scratch and can have access to legal documents they can easily customize for a client's needs. Legal forms are also readily available to complete.

Act! | Checklist:

- ☐ Hire smart junior lawyers who demonstrate the potential to learn and work independently.
- ☐ Clearly plan and map out a junior lawyer's career progression within the firm.
- ☐ Train junior lawyers through products like LEAP, so they can upskill in areas of law valuable to your firm without costing billable hours from your senior lawyers.
- ☐ Encourage junior lawyers to assume client-facing responsibilities alongside senior lawyers, allowing them to develop their project management skills, emotional intelligence, and business acumen.

4. Automate mundane tasks to keep lawyers doing what they love

Too often, lawyers leave the law because they simply don't get the chance to do enough lawyering. Their days are busy with chasing up overdue invoices, tracking each billable unit, training juniors, or trying to schedule in a client meeting or obtain signatures from a client. All this busy work is not why a lawyer entered the law. Fortunately, many of these tasks are now automated by good practice management software.

Are you chasing a client to come into your office and sign a document? This can now be done securely online. Would you like to offer your clients the ability to pay by credit card or set up payment plans? This is now possible with LEAP Online Payments. Tired of manually tracking every billable minute? Set an automatic timer and instantly generate an invoice.

With LEAP, you can automate the work lawyers hate. Let lawyers to do the work they love and work how they want.

Act! | Checklist:

- ☐ Identify inefficiencies in your workflow that automation can improve.
- ☐ Research services that can automate the work your lawyers dislike.
- ☐ Implement these solutions so your lawyers can focus on their clients.

5. Access skilled expertise beyond the cities

Cloud-based practice management software means firms no longer need to limit their search for expertise to major cities. Cloud technology is available on desktop and mobile devices, empowering both lawyers and support staff to work off-site at a time that suits them.

As the retirement age continues to creep up, LEAP gives law firms the opportunity to call on skilled senior lawyers after they have moved on from practice. Retired lawyers or support staff can continue to record billable time without being in the office or meeting with colleagues and clients. For firms that rely on cloud-based practice management software, geography is no longer a boundary to attracting clients, managing their matters or engaging expertise.

Act! | Checklist:

- ☐ Liaise with your staff. Could flexible arrangements that allow them to work off-site increase your firm's productivity?
- ☐ Capitalize on the skills and available time of semi-retired senior lawyers or legal support staff.
- ☐ Cloud-based software like LEAP allows them to work from home while still recording billable time.
- ☐ Expand your client base beyond your local area.



Empowering law firms to effectively compete

Competition for skilled staff is more intense than ever. Historic unemployment lows, the automation of legal bookkeeping and legal secretarial work, increased hiring from NewLaw and larger accounting firms, and the absence of training for junior lawyers has led to a critical skills shortage of mid-career and senior lawyers. Technology has also automated much of the work traditionally undertaken full-time by legal secretaries and legal bookkeepers.

However, technology can also empower law firms to effectively compete in this environment. Technology can automate non-billable administrative tasks, helping to get your lawyers home on time. By implementing a good practice management system, your lawyers can work from home, or between court sessions and client meetings, allowing them to make the most of their day.

By providing practical legal guides and step-by-step matter plans, commentaries, forms and precedents, you can attract and train talented junior lawyers who will become the future of your firm. Dull manual tasks once dreaded by lawyers are now automated.

Skilled senior lawyers who may have sold their practice or moved away from the city hubs can still provide value to your firm by working remotely, offering their expertise, client networks, and commercial acumen.

Lead the competition. Use technology to reimagine how your firm runs, how your lawyers work, and what their careers can offer. Find the solutions lawyers need to continue their career through parenthood, and part-time after retirement. This is how you can overcome the skills shortage.

Everything you need to run a law firm

Contact us today to book your obligation-free demonstration
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