The Rise of Virtual Law Firms

Summary: Could it be that modern telecommuting technology has finally come to today’s law firms?

- Many law firms have either established or are considering the establishment of a virtual law firm.
- These firms realize the benefits of virtual law firms such as easier client interactions and lower operating costs.
- Virtual law firms can also attract new clientele, particularly younger clientele.

Could it be that modern telecommuting technology has finally come to today’s law firms? Could it also be that this same telecommuting technology will, at one point, effectively end the law firm structure as we know it?

Yes and yes.

In fact, this “new” telecommuting technology is not even that new; not at least if you have already experienced the benefits of telecommuting in an industry outside of law. The only difference lies in name alone: Whereas in any other industry, a person who works outside of an office is known to be telecommuting, in law, a lawyer who practices without being in a physical law firm space is known to be working within a virtual law firm.

Virtual law firms have been in vogue for at least 20 years. However, many law practices are slow to evolve toward the notion, and especially the benefits of a virtual law firm. Moreover, whether that slowness is due to hesitancy from the law firm, a fear of client and worker-related backlash, or simple ignorance as to how technology can improve a law firm’s efficiency, the virtual law firm model is nonetheless growing in popularity throughout the legal world.

Simply put, a virtual law firm is no law firm at all. The physical walls, ceilings, and plate-glass windows are missing, as is any concept of a waiting room, individual office spaces, break rooms, or even desks and chairs.

On the contrary, to quote any cliché computer or software commercial, virtual law firms exist “in the cloud.”

Virtual law firms are also one of the most innovative developments to hit the practice of law since the computer replaced the IBM Selectric typewriter.
The Beginnings of Virtual Law Firms

As was earlier mentioned, virtual law firms began about 20 years ago. According to Wikipedia, the first recorded virtual law firm was "Woolley & Co" set up in England in 1996 by Andrew Woolley.

The term gained definition through a 2004 article written by Joe Kashi which defined what it meant to be a virtual law firm.

Virtual law firms are also often referred to as "cloud-based law firms." Moreover, as the cloud expands, so does the global number of law firms who subscribe to the concept of virtual law firms. In fact, clients whom themselves seek high-quality legal attention, value, as well as mobility, have increasingly accepted virtual law firms as normal.

Consequently, practices which have not switched to virtual law firms find themselves ignored because they are regarded as dinosaurs in the law practice, especially among the younger clientele.

The American Bar Association (ABA) states that the largest virtual law firm as of 2010 is Axiom, based in New York. Started by Alec Guettel and Mark Harris in 2001, the attorneys who work for Axiom are often described as "BigLaw refugees," while those same "refugees" describe Axiom as "the first real alternative to the traditional law firm."

Below is a graph listing the number of virtual law firms in the U.S. from Alabama to Wyoming:

What Do Virtual Law Firms Have to Offer?

Think of a BigLaw firm without the brick and mortar, and you have a virtual law firm. The benefits/characteristics are many about working or managing a client of a virtual law firm. Wikipedia states that those benefits/characteristics are:

1. Has a stable core group of attorneys.
2. Operates under one legal entity, such as a partnership or a proprietorship.
3. Has established collaborative relationships with other, specialized law firms that possess expertise that’s occasionally needed.
4. Is glued together with appropriate computer and telecommunications technology such as project management software or
a Virtual Law Office (VLO).

5. Tends to have low overhead because of the ability of some or all attorneys to work from home or a low-cost remote office.
6. Expands and reduces personnel as needed.

Meanwhile, the benefits to a client include:

1. Easier access to their attorney.
2. A less formal, albeit, nerve-racking atmosphere than a traditional law firm.
3. A reassured feeling that their legal issues are getting the attorney’s full attention.
4. Instant communication through the internet (which results in higher client retention rates).
5. Potential lower billing rates due to less overhead.

What Does One Need to Start a Virtual Law Firm?

The single most important requirement of a virtual law firm is that when new client prospects arrive, their needs are quickly addressed.

For better or worse, one of the characteristics that have emerged from technology is its immediacy. For instance, type in a Google search, and it almost instantaneously returns the results of your query.

Given this, it should be no surprise that one of a lawyer’s main assets as a virtual attorney is his or her computer. Their computer is the gateway to clients, their clients’ legal issues, and resolution of those issues.

An attorney who chooses to work in a virtual law firm will need to have some technical skill when it comes to Wi-Fi and document management, simply because virtual law firm lawyers do not utilize IT people or legal secretaries. They are, in a sense, on their own with very little support to speak of from one department to the next.

A virtual law firm lawyer will also need specialized software that can allow access to important client-lawyer documentation, as well as access for the client. This way, with only two people able to see the documentation, the client will feel more secure with only one person handling important information as opposed to legal secretaries, paralegals, as well as file and copy clerks.

Can Most Traditional Law Firms Convert Themselves to Virtual Law Firms?

Conversion from a traditional to a virtual law firm is a bit tricky because so much depends upon the law firm’s legal staff and, more importantly, the law firm’s clientele.

With that said, law firms need to be careful before entertaining any hint of an idea that they may go toward a virtual work environment. Things to consider include:

1. Your staff – do they fully grasp what “virtual” means, as well as how it can affect their jobs? Be certain to go over this with your staff to make sure everyone is on the same page. Nearly today’s entire workforce has computer skills, so understanding a virtual law firm from a technological standpoint should not be an issue for your staff. It is the nonphysical aspect of the virtual law firm that you need to make certain your employees can successfully wrap their heads around.
2. Your clients – are they comfortable meeting you at a coffeehouse or in a work-share environment that has no connection with your former law firm, or any law firm at all? To be honest, you will probably have fewer issues with younger clients, particularly Millennial clients as many of them are more likely already adjusted to the idea of the non-work environment of a virtual business, law firms included. Where you may have difficulties is with your older clientele who only understand brick and mortar establishments akin to a traditional law firm.
3. Also be aware that your older clients may not comprehend the use of a computer, email and cloud storage, all of which are pertinent to running a virtual law firm. There will probably be electronic documents for them to sign and articles and other documents they will need to print out or manipulate in some way on their computers – that is if your older clientele has computers. Another factor to consider is if they even trust this new style of firm.

Your task in this, particularly if you intend on keeping your older clients. You need to reassure them that conducting business in the virtual world is as comprehensive and safe as conducting business inside a traditional law firm.

Remember, whether young or old, the last thing you want is for your clients to leave because they do not understand your move from a brick and mortar law firm to one that brushes off such traditional aspects for what is now a new process of practicing law.

In Conclusion
There is much to like about the idea of a virtual law firm. In fact, with as much as there is to like about virtual law firms, there is near equal amounts of those – both lawyers and clients – that are apprehensive about taking their business into unfamiliar settings.

Nonetheless, this is your decision. You have taken a giant technological step forward in which the old-school atmosphere of a law firm no longer applies to the practice of law. While your clients may think it odd to meet in a library instead of a law firm or discuss legal issues in a coffeehouse as opposed to a Century City corporate office, you need to do all you can to put their minds at ease.

In the end, even your most dubious clients will more than likely agree, particularly as you show them your law practice on their behalf has not faltered or is in any way different.

It is just the law firm setting that has changed.

**See the following articles for more information:**

- Are Virtual Firms "Worth It" for Partners? 20 Questions Partners Should Ask Before Joining a Virtual Law Firm
- How Virtual Reality May Change Your Legal Job Search Forever
- How to Set Up a Virtual Law Firm
- Working Remotely: How It's Impacting the Legal Industry and Your Firm