

The Evolution of the Legal Services Market

Jordan Furlong¹
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¹ **Jordan Furlong** is a legal industry analyst and consultant based in Ottawa, Canada. He is a partner with the global consulting firm [Edge International](#) and a senior consultant with legal web development company [Stem Legal Web Enterprises](#). He also authors the award-winning blog [Law21: Dispatches From a Legal Profession on the Brink](#). He specializes in delivering dynamic and thought-provoking presentations to law firms, practice groups, and legal organizations about the future of the legal marketplace at a time of unprecedented marketplace change. (jordan@law21.ca, 613.729.7171).

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Introduction

On November 2, 2012, I delivered my 15th and final presentation of the year about the changing legal market. Over the past 11 months, I'd given speeches and keynote addresses to large firm retreats, sole practitioners, bar leaders and regulators, chief justices, law students, CLE providers, law librarians, and other groups and organizations throughout the United States and Canada.

I haven't just been speaking to these groups, however; I've also been listening to what these diverse stakeholders in the legal marketplace have to say. And I've taken away two sets of impressions.

The first is that there is a very wide spectrum of knowledge and perspective regarding the nature of change in the legal market. I've met lawyers and legal professionals who flatly dismiss any suggestion that the market is changing in ways that are revolutionary and permanent. I've met others who saw these trends developing years ago and have already re-engineered their businesses to adapt. The vast majority of audience members lie somewhere in between. Most of the people I've spoken with, however, have been surprisingly and encouragingly interested in what's going on in the wider legal world and what it might mean for them.

My second takeaway, and the one I'd like to explore in greater depth in this essay, is that there's no real consensus within the legal market about just what's happening to it. We don't appear to have a collective sense of what kind of road we're traveling, where it's taking us, and at what stage of the trip we currently find ourselves. This is important, because without a shared understanding of both our journey and our destination as marketplace participants, it's difficult to talk about how to make the trip better, shorter, and more productive.

So I thought I would set out my views on the state of the legal market and how change is rippling through it: where we've been, where we are, and where we're likely to go.

It seems to me that there will be five stages in the ongoing evolution of the legal market — and by extension, the legal profession itself. By my reckoning, we're about halfway through Stage 2.

Stage One: The Closed Market

Features

- Law is a protected industry, with one legitimate, authorized, self-regulating provider (lawyers).
- Legal knowledge and tools are largely inaccessible without lawyer involvement.
- Lawyers regulate the market, policing their own conduct but also investigating and eliminating non-lawyer competition.
- Lawyers “compete” with each other in genteel fashion, rarely undercutting other practitioners on rates or introducing systemic improvements to methodology or workflow.
- Lawyers, facing no real competition and under no real pressure to innovate, create inefficient enterprises to deliver legal services, measure cost in hours, and price their services on a cost-plus basis.
- Lawyer jobs increase proportionately, if not out of proportion, to legal service demand; the lawyer population grows year after year, like an expanding balloon.
- Most legal services are expensive, and most lawyer careers are highly remunerative.
- Legal technology is almost entirely “sustaining,” offering more convenient ways of carrying out traditional tasks without re-engineering those tasks.
- Legal education is almost entirely academic and delivered to baccalaureate standards; professional experience is gained through on-the-job training, at clients’ expense.

Era: From most of the 20th century up until no later than 2008.

This is the legal market most of us found when we were called to the bar. In Stage 1, we run the show, and we run it to our liking. Not only do lawyers own the only saloon in town, we’re also the local sheriff, keeping the peace by prohibiting anyone from opening up a competing tavern.

We enjoy the luxury of running our businesses as we please, safe in the knowledge that our collegial competitors in the profession will not create undue disruptive pressure through pricing or service delivery innovations. We deliver good products and half-decent service to a very

limited, deep-pocketed clientele. Most lawyers make a fine living, and in many larger firms, they make an astoundingly fine living. These are good times for lawyers.

But they aren't perfect times, of course. Our reliance on cost-plus pricing, our desire to increase profit, our aversion to risk, and our unwillingness to innovate all combine to create an over-reliance on [individual hourly labour as an engine of growth](#). This in turn leads to burnout and emotional problems among lawyers and growing dissatisfaction with the lawyer's life, not to mention frustrated clients who want greater price certainty and more proactive interest from their providers. It also leaves us vulnerable to the possibility of [competitors who might choose to play by different rules](#); we fail to develop any natural defenses beyond regulatory enforcement.

Legal education, meanwhile, underperforms its potential: most faculty have little experience with practice, and almost all faculty view the practicing bar with a certain degree of contempt, leading to generations of law graduates singularly unprepared for a legal career. Self-regulation, while critical to our independence, breeds bad habits of protectionism and self-indulgence. And it perhaps goes without saying that access to justice belongs primarily to those with the money to afford lawyers and the time to see legal matters through the labyrinthine legal process.

You could certainly argue the cut-off point for this era. Some might trace the beginning of the end to [2004](#), others to [1999](#); if you practise residential real estate, you can go back [considerably further](#) than that. There was no single "light switch" moment at which everything changed and a new paradigm emerged fully formed; evolution isn't like that. Some of these tendencies weakened throughout the 2000s, while others are still going strong today. But it seems fair to assert that by 2008, when the financial crisis was breaking and the first provisions of the *Legal Services Act* were being enacted, the longstanding era of the lawyer-centered legal marketplace was drawing to a close.

An observer from outside the market could easily see how this artificially static state of affairs might be ruptured, and would hardly be surprised to learn that such a breakage was imminent. In the next stage, this long-closed market is abruptly breached by numerous external forces.

Stage 2: The Breached Market

Features

- Macro-economic upheaval shatters previous steady state of legal market.
- Legal work, formerly indivisible, starts breaking into mission-critical, ordinary and commodity tranches.
- Multiple new providers enter legal industry, aiming at second and third tranches of legal services; legal work starts to leave law firms and go to these new providers.
- Growing access to legal knowledge enables more “do-it-yourself” law among consumer law clients.
- New options and financial pressures spur both insourcing and outsourcing of legal tasks by corporate law clients.
- Lawyers find they have limited regulatory options against emerging competitors, which become legitimized and start to mature.
- Prices for lawyers’ services fall; in absence of workflow innovation or infrastructure improvements, lawyers’ costs continue to rise; *ergo*, lawyer profits stall out or decline.
- Law firms cut positions to preserve profits; employment rates for new lawyers plummet; pool of unattached legal talent grows.
- Legal technology becomes more disruptive, displacing lawyers from traditional roles.
- Law schools start to experience pressure from lower enrollment, tuition resistance, extreme bad publicity.
- In some jurisdictions, lawyers lose power to regulate the legal market and/or themselves (most notably England & Wales).
- Lawyer jobs, for the most part, do not disappear; they relocate (to small centers, non-lawyer companies, India). Movement, not elimination, of labour.

Era: 2008-2016 (All start and end dates are approximate, and likely are too conservative.)

This is more or less where we find ourselves today. The end of the Boom And Bubble Era (roughly 1985-2008) creates a lengthy period of de-leveraging and tepid economic growth that (a) forces clients to cut back on legal spending generally and (b) gives them the opportunity and ammunition to renegotiate terms with their legal service providers. In some respects, clients become lawyers' main competitors: by keeping work in-house or doing it themselves, they deprive lawyers of a previously steady supply of activity and revenue.

Simultaneously, rapid technological advances (especially online) lower barriers and create numerous entry points into the market for providers previously unable to access legal customers. Lawyers find it difficult to battle these new competitors, in two ways.

First, as market regulators and UPL enforcers, we find ourselves stymied by the unconventional nature of new providers. Some are based outside our physical jurisdiction (LPOs), some are arguably not "practising law" (e-discovery providers), and some meet latent market needs to an extent that we might find politically risky to shut down entirely (LegalZoom). Mostly, though, there are just too many new entities to deal with all at once. It was one thing for a regulator with limited funds to prosecute a single paralegal or self-help publisher at a time; it proves another to take on entire, multi-jurisdictional, investor-powered industries.

Secondly, as practitioners, we suddenly recognize a wide range of vulnerabilities in our businesses. Our internal inefficiencies bloat our costs and therefore (thanks to our cost-plus business model) our pricing; our new rivals use streamlined operations and low overheads to undercut our prices and still turn a profit. Our rigid business models keep us from embracing online service delivery or 24/7 availability; our high-tech competitors make these two features the foundation of their market strategies. After watching us and [looking for weaknesses to exploit](#), the new providers move into our traditional market space; we lack the ability to respond.

Together, these two forces — a decline in overall legal spend and innovative new options for legal services — combine to reduce demand for the services of lawyers. This is not a monolithic process: some areas of law are hardly affected at all during this time, while others are slowly eviscerated.

The change also takes effect at different times in different jurisdictions, making it difficult to discern big-picture trends from isolated events. Many lawyers continue to believe that "this won't affect me," "this is just the recession" and "things will soon be back to normal." But even those lawyers who understand the new market dynamics find it hard to change long-established habits.

Declining demand for lawyers rapidly leads to over-capacity in law firms, which in turn leads to falling lawyer employment rates, especially among unskilled new graduates. Simultaneously, at the other end of the generational spectrum, the economic difficulties of the past several years encourage many older lawyers to delay retirement and keep working for as long as they can.

This one-two punch produces a large and growing pool of unemployed and underemployed lawyers, downward pressure on lawyer incomes (especially among inexperienced practitioners), and succession crises at law firms in which senior partners who control client relationships grip the reins of power ever tighter.

This era marks the beginning of the end of the traditional “BigLaw” business model, whose fundamental premises prove incompatible with emerging market realities. Many large firms find themselves trapped by two opposing forces: cash crises brought on by lower effective rates and declining business, and confidence crises brought on by flat or falling PPP numbers and the pressure of actual or anticipated rainmaker defections. Several very large firms fail to make it through this crucible.

The legal education crisis also traces its origins to this period: decades of strategic somnolence by law schools, combined with growing popular belief that these institutions have gouged their students and given them worthless degrees in return, creates serious problems for schools and helps push down law school application rates. By the close of Stage 2, several law schools find themselves in more dire circumstances than they could have imagined a few short years ago, and as with their BigLaw buyers, some do not survive the crisis.

The most important development of this period, however, is the arrival in 2012 of Alternative Business Structures: non-lawyer ownership and capital in legal enterprises in England & Wales (building upon Australia’s trailblazing efforts a decade earlier). Starting with the consumer market, but eventually spreading to corporate and institutional work as well, new participants find willing buyers for their products and services. This development, while spawning the usual troubles of any startup industry, does not produce the widespread disastrous impact on professionalism and the public interest that some had predicted. The longstanding presumption that only lawyers could be trusted to offer legal services is called into question, and officials in other jurisdictions start considering more closely the possibilities of regulatory reform to open the market.

It’s important to note the final entry in the foregoing bullet-point list of features. The work that many lawyers once performed (especially new lawyers in large firms) is relocating to lower-cost or higher-efficiency providers elsewhere, but it is not yet being eliminated altogether. New people in new places are doing essentially the same work that lawyers here once did. This new state of affairs, however, is temporary.

Stage Three: The Fully Open Market

Features

(a) The Market:

- Multiple legitimate providers now fully active in legal market. Lawyers battling many competitors for market share.
- Regulatory reform eventually sweeps away most remaining barriers to competition; only a small, high-value portion of legal work is reserved exclusively to lawyers.
- Legal knowledge and tools are almost universally available and adaptable through the internet. Emergence of first industry standards in these areas.
- Many consumer legal services shift from lawyers to non-lawyer providers; closure of numerous solo and small-firm law practices that cannot adapt.
- Much corporate/institutional legal work shifts from law firms to non-firm providers; most midsize and large law firms downsize dramatically, quite a few close.
- Extreme efficiency: systems and software take on most paper, process and product work, plus growing amount of legal reasoning and analysis work.
- “Non-lawyers” evolve rapidly to fill in new gaps in the market and serve clients directly; development and enforcement of non-lawyer standards and protocols.
- Competition drives systemic improvements. Both surviving law firms and new legal enterprises make routine use of outsourcing, unbundling, software, project management, etc.
- Golden age of legal technology: unprecedented volume and breadth of both individual and enterprise applications disrupt even innovative law firms.
- Client access to legal services has never been greater. Prices for most services drop to their lowest levels in recent memory, some to true commodity levels (\$0).

(b) Lawyers:

- Growth of the legal profession stalls, then reverses for the first time in memory.

- Traditional volume-based lawyer organizations (bar groups, publishers, CLE providers, etc.) either radically reinvent themselves or close.
- Substantial number of law schools close or dramatically downsize; many adopt practical training offerings to compete for new students or serve practising lawyers.
- Lawyer self-governance survives, albeit with stricter standards for admission, discipline, and continuing competence.
- Lawyer governance of the legal market comes to an end; governments or government agencies take over legal services regulation.
- Legal jobs do disappear, even from outsourced destinations. Machines and systems partially or fully displace many lawyers from tasks they have traditionally performed.
- The first new solo and small-firm practices begin to emerge: mobile, virtual, highly specialized, systematized, collaborative, and project-based.
- The first truly global legal providers emerge on a scale not seen before (10,000+ employees, lawyers and non-lawyers). Massive amount of law firm merger activity.

Era: 2016-2024

This stage is the logical conclusion of the period of creative destruction that began in Stage 2. The legal market is long overdue for serious disruption, and much of this pent-up activity should be released late this decade and early next. Again, the key elements driving change are (a) the lowering of barriers to non-lawyer ownership capital and competition and (b) the explosion of technology that displaces, or occasionally fully replaces, lawyers. [Incumbents will have a hard time of it.](#)

Lawyers pay a steep price during this period of market evolution: work that we had always assumed was within our exclusive bailiwick falls increasingly to providers outside our profession. Lawyers feel under siege on all sides, unable to rely on traditional defenses supplied by governing bodies (many of which no longer regulate the market) and bar associations (many of which lose critical masses of members and are too weak to carry out professional advocacy).

Many lawyers find themselves adrift in this market, in search of a purpose: what value do we provide? What tasks will pay the rent? Lawyers who graduated into the chaos of the 2010s are especially hard-pressed. This is one of the major factors that will drive an eventual widespread forgiveness of law school debt (part of a society-wide student debt forgiveness movement).

This is probably the nadir of lawyer employment, and there is much talk of a “lost generation” of lawyers who enrolled in law school just as Stage 1 was drawing to a close. In Stage 2, law firms downsized, but at least there were opportunities for contract work or entry-level tasks with LPOs or other low-cost providers. During Stage 3, however, even many of those jobs disappear into algorithms, software packages and artificially intelligent online programs. At the same time, for reasons of both advancing age and shrinking opportunities, the Boomer generation finally departs the scene. The result, over the course of several years, is a smaller legal profession.

By this point in the market’s evolution, the supply curve has responded to the drop in demand: law school enrollment is a shadow of its former volume, and schools are forced either to severely reduce their class sizes, merge with other faculties, or, in many cases, simply close their doors. This period sees the emergence of “non-school” legal education providers: private corporations that buy struggling law schools from their universities and turn them into training centers for both pre- and post-call lawyers, absorbing many CLE providers along the way.

The news is not all grim for lawyers, however. Stage 3 also gives us the first signs of the new law firm world — mobile virtual solos and streamlined mega-firms, to name two of the first species to emerge.

“Sole practice” has long been virtually synonymous with “general practice,” but solos in this era develop niche practices and hone unique skills in order to serve very specific markets over a wide geographic area. Small law firms also collaborate extensively with other solo and small practices, often coordinated by a “general contractor” who assembles mix-and-match teams of solo specialists for specific one-off projects. What was once referred to as “general practice” work is more often the purview of large corporate entities that employ both lawyers and non-lawyers (criminal defence work remains the exception: matters of life and liberty still belong to lawyers).

Large law firms also adapt to the new ecosystem. The generic national or international [“one size fits all” full-service firm](#) is largely a thing of the past. Successful mega-firms are now truly gargantuan, growing to levels that make even the Big 4 accounting firms take notice. They are certainly not partnerships, vulnerable to the whims of powerful individual lawyers; they are businesses whose employees (many of whom are lawyers, but not all) support a defined culture of expectations and performance and adhere strictly to systems and management designed to maximize productivity and minimize waste. [Super-boutiques](#) also emerge to dominate particular practice or industry areas, also with a strong corporate infrastructure. Lawyers do not just lose control over the legal market; increasingly, they lose control within law firms themselves.

The end of lawyers' monopoly over legal services comes as something of a shock to everyone. This is not an easy or a clean transition: regulatory oversight of non-lawyer providers struggles in its early years, and there are some notable scandals whereby clients are systematically abused by unscrupulous providers. Many lawyers cannot resist the temptation to say "I told you so" when industry standards are seen to slip.

Significantly, however, despite some high-profile incidents of malfeasance among non-lawyer providers and the predictable failures of some ABSs, the new market dynamics work well. Regulation of the legal market eventually hits its stride. Consumers of legal services, offered more choices, also become better informed and more sophisticated. Lawyers, freed from paperwork, focus on higher-value tasks that better engage their talents. More people have more access to legal services appropriately aligned to their circumstances than ever before.

Necessarily at this point, the dates suggested for this era are mostly guesswork. The real question is timing: How long will lawyers be able to maintain ring-fenced protection of the legal services market from outside intervention? The longer we can hold out, the longer this process will take, and it could be delayed for several years beyond this estimated timeline. But the end result will be the same. The "non-lawyer" genie is out of the bottle and it is not going back in.

But just as importantly, the world is not standing still while all this happens. Years of slow growth will come to a sudden end with a roar of renewed economic activity towards the end of this decade. Lawyers have not been idle, simply standing in the middle of the road waiting to be run over; they have been adapting as well. These fallow years, as we'll see, are also setting the stage for the dynamic legal market and resurgent legal profession to come.

Stage Four: The Expanding Market

This hasn't exactly been a joyride so far, has it? Following the complacent satisfaction of Stage 1, the legal profession is not currently enjoying Stage 2 and will be even less fond of what Stage 3 is likely to inflict. You can be forgiven if this feels like a movie you'd like to leave halfway through. But while this might seem to be a depressing tale of lawyers' relentless decline and eventual extinction, that's not the actual story.

Lawyers, we need to keep in mind, really matter. We serve critical functions in society: we provide dispassionate representation and advocacy in dispute resolution; we facilitate countless significant social and business transactions; and we're capable of providing tremendous and unique value to clients of all stripes — value that commands a premium price. [Law, along with medicine and ministry, are the three original professions](#): the highly esteemed servants of the community and the building blocks of a meaningful and civilized society. No one is going to outsource or automate a way around that.

It's my belief that, as a profession, we've lost sight of these facts. We've been distracted by the easy money to be made by providing essentially clerical tasks and conducting low- or middling-value transactions — tasks that we took on simply because the market lacked other providers whose skills and sophistication were better aligned with this kind of work. Our monopoly on the legal market narrowed our vision, scrambled our priorities, and misdirected our talents. We became myopic and even selfish, believing that we were entitled to exclusive access to any work that was law-related.

I think that lawyers in the future will, in a strange way, come to appreciate that the disruptive forces currently sowing chaos in our lives actually did us a favour. By taking away work that doesn't require our expertise, they'll discourage us from punching below our weight and force us to go pick on challenges our own size. Not only that, but by breaking through the pricing floor and lowering the financial threshold for consumer access to the law, they'll do something lawyers have never been able to do: they're going to grow the legal market.

By the time Stage 4 comes about — and I believe parts of it could start emerging during Phase 3 — lawyers will be surprised and delighted to see a much larger and more dynamic market emerge. And in those circumstances, we won't really mind having more people digging into what will have become a much bigger pie.

Features

(a) The Market:

- Combination of multiple providers and affordable prices opens up huge, previously latent legal market.
- Innovation in legal services, driven now by both lawyer and non-lawyer providers, greatly increases range and depth of accessible legal work.
- Market expansion accelerates rapidly; legal job growth returns, demand for lawyers increases (although not often in traditional roles).
- Systems and IT advances achieve unprecedented levels of accuracy and efficiency in basic legal documents and processes.
- Routine and straightforward legal work is subject to fierce competition by warring national and global franchises, including legal publishers, accounting firms, software companies, and even a few “white label” law firms.
- Commoditization of legal product is widespread; industry norms and standards are established for basic products and services.
- Concept of “legal insurance” becomes more commonplace, often as part of homeowners’ policies or employee benefits, creating more legal opportunities.
- A new legal service ecosystem grows up, one in which individual lawyers and non-lawyers temporarily collaborate on projects under the direction of senior project-managing counsel.
- Civil court system is transformed into smaller but more prestigious entity, with lawyers and judges handling complex, high-stakes, or socially significant civil disputes; parallel “private” courts and ODR providers oversee adjudication and resolution of other civil matters.

(b) Lawyers:

- Elite law firms, from solos to global giants, thrive by handling high-quality, highly remunerative, mission-critical work: they are strategists, counsellors, and trusted advisors to individuals, businesses and institutions.

- “Preventive law” emerges as a viable legal career: managing risk and avoiding legal troubles for corporate and consumer clients on a monthly retainer.
- Lawyers become increasingly integrated within diverse corporate and social enterprises; higher evolution of “in-house” lawyers.
- Just three types of “outside counsel” dominate the private bar: mobile virtual solo, boutique specialist, and global corporate problem-solver and value-provider.
- New lawyer organizations evolve, replacing the associations of the past, using online platforms to create fluid, collaborative, job-sharing, skill-building networks.
- Legal education is transformed by emergence of “specialist” law programs focusing on specific industries and “bridge” providers linking formal education with practical training. Online legal education becomes ubiquitous.
- A few elite lawyers continue to bill by the hour, the last holdouts in a market where pricing is almost entirely pre-set, cost-aligned, value-based and market-driven.

Era: 2019-?

Every period of creative destruction comes to an end; every process of renewal eventually completes itself. After many difficult years of contraction and frustration, lawyers finally see a change in their fortunes.

By Stage 4, the ongoing process of competition and innovation has greatly reduced the internal cost and external price of many legal products and services. Lawyers who had been bemoaning this trend are happily introduced to the economic principle that lower prices expand markets. More people and businesses can now afford more legal services than they could before: the latent legal market is finally cracked. Moreover, thanks to the attrition of the past few brutal years, the number of lawyers in the profession is much reduced, setting up a new supply-and-demand dynamic.

Only a handful of companies worldwide now provide legal knowledge, documents and processes, and like the Amazons and FedExes and Wal-Marts of the past, they rely on extreme efficiency, standardized production, cutthroat pricing and just-in-time delivery to compete for market share. No 20th-century law firm could survive in this market, and few 21st-century lawyers want to do this work anyway. They have other, better pursuits.

This is where lawyers see their resurgence. As Clayton Christensen points out, [efficiency innovations destroy jobs, whereas disruptive innovations create them](#). Stages 2 and 3 gave us “efficiency innovations” in law, at the cost of many lawyer positions; but Stages 3 and 4 usher in the “disruptive innovation” era, during which lawyer employment opportunities return, stronger than before. Preventive law — Richard Susskind’s famous “fence at the top of a cliff, rather than an ambulance at the bottom” — is an excellent illustration of this trend: proactive lawyering that manages risk and reduces problems discovers its market value.

High-level, highly demanding and highly compensated legal work experiences a renaissance in this era. The world has gotten no simpler in the last ten years — in many ways, it has become far more complex and confusing. Anonymity and relativism undermine social and business bonds, technology and big data create powerful and frightening new social forces, and shades of grey are everywhere in public and private life.

The authority, clarity and precision of lawyers now become a necessary and valuable presence in the market. Freed from our previous dependence on paper and product, we return to our higher purpose and our more valuable business and social roles.

The industries and specialties that grew up around the old legal profession undergo similar transformations in Stage 4:

- Lawyer associations survive by becoming lighter, quicker, more businesslike and more aspirational, representing lawyers’ newly redefined interests and repositioning themselves as networkers, connectors, trainers, R&D providers and thought leaders.
- Legal education is still uneasily re-engineering itself, but a new balance is emerging between educators focused on classical jurisprudence and legal philosophy and trainers focused on professionalism, ethics and business acumen for both [initial and continuing professional development](#).
- Legal publishers have become legal software developers and knowledge management engineers. Everyone has had the opportunity either to raise their game or leave the playing field altogether.

A word about litigation. I gave a presentation earlier this year to Canada’s chief judges and chief justices, wherein I advised that their traditional role as private dispute adjudicators was at risk. The soaring costs of court litigation, in terms of both time and money, had placed it out of most people’s reach and had encouraged the development of less formal but more accessible dispute resolution providers.

I expect that the majority of disputes currently pushed through the court system will eventually be privately resolved (and perhaps even privately enforced, although I'd prefer to see the state continue in that role). The civil justice system may simply be too big and too brittle to survive the change to a new legal marketplace.

Civil litigators, in turn, will have to adapt to a market in which the traditional sources of litigation revenue are routed out of the legal profession (towards e-discovery providers, game-theory bargaining systems, data-crunching prediction systems, etc.). Lawyers' competitive strengths in dispute resolution reside in negotiation and advocacy skills, especially the latter; these are what make great "trial lawyers."

There will be a role for skilled barristers, perhaps as advocates in the traditional court system, perhaps as adjudicators in new private court systems. I expect there will be, on a volume basis, less civil litigation work; but it will be more demanding and fulfilling work of higher quality, and it will pay more handsomely than all the endless hourly-billed tennis matches that now bog down our courts.

It's quite possible that Stage 3 painted too dark a picture of lawyers' position, and that Stage 4 paints too brightly. Certainly, what I'm outlining here are the most positive outcomes for everyone — lawyers, non-lawyers, and most of all, clients. There are bound to be stumbles, breakdowns and various crises — revolutions rarely deliver a universally happy ending, and they rarely wind up where the first revolutionaries intended to go.

But what I do believe is that this future is possible and plausible — and if things break right and the market responds rationally, even likely. We'll need luck and leadership, to be sure — but then, when haven't we needed those things on our side?

There is one more phase to come in this essay: Stage 5. Like Stage 4, it could run concurrently with other stages, and it could arguably be considered part of this legal market expansion period. But there are elements of it that deserve more attention than today's entry can accommodate. It goes beyond expansion, all the way to transformation.

Stage Five: The Multi-Dimensional Market

In the four previous stages in this essay, I've sketched out what I see as the decline and subsequent rise of the legal profession over the next 10-15 years as a direct effect of rapid evolution in the legal market.

My fundamental premise throughout these posts has been that the emergence of new competitors and new technology, along with regulatory reform, will deprive lawyers of many of the low- to medium-value tasks they perform today, but that this change will also expand and reconfigure the overall market for legal services in ways that eventually drive a resurgence in lawyer employment and the more valuable applications of our skills. This will be a roller-coaster ride, not just for lawyers but for all the industries, organizations and suppliers that grew up around our profession during its 20th-century heyday.

Stage 5 is kind of a postscript to Stage 4, and maybe something of a thought experiment too. I'd like the legal profession to start thinking more creatively and laterally about exactly what lawyers could be in the future.

Lawyers, contrary to popular belief, are highly creative and innovative — when acting on behalf of our clients. When we turn the focus on ourselves and our own profession, however, we seem to lose our creativity and ambition — we narrow our vision, think small, and cling to “what we've always done.” Almost all the discussion of lawyers' economic prospects (and there's plenty in the news every day) proceeds on the assumption that lawyers only perform a limited number of strictly defined functions, a slim portfolio of roles that has hardly changed at all for decades.

Because we cast our careers in linear terms, we only see change of the negative kind — work that we lose to others. We don't think about work that we could take from others, or work that we could create altogether new. We don't give ourselves enough credit for what we *could* be and what we *might* do.

Recall what happened to accountants when the first wave of technological advancements in the 1970s and 1980s rendered many of their traditional balance-sheet offerings obsolete. They were faced with a stark choice: evolve upwards and outwards, or fade away into history. They chose to evolve, reinventing themselves as business advisors, market analysts and process consultants — tasks for which they were certainly not educated and for which they could claim no special pedigree. They reached for this work because (a) they needed it, (b) nobody else was doing it, and (c) their core skills and competencies qualified them to at least try it. And they succeeded, in no small part because *they thought they could*.

A similar choice is at hand for lawyers: move up the value ladder, or climb off it altogether. Many lawyers today make a living off the legal equivalent of accountants' "balance-sheet" work; that work, as I hope this essay has persuasively argued, is going away. What will replace it? Where will we find new engagements of similar or greater value?

Answering those questions is a two-stage process. The first stage is the hardest: it involves screwing up our courage, building up our confidence, and letting our imaginations roam over the possibilities of 21st-century lawyering. It requires lateral thinking and creative brainstorming, anchored by a clear-eyed assessment of both our own strengths as professionals and the evolving needs of a globalized society.

Once we've done that, once we've cleared that enormous (for us) hurdle, then the second stage is not only easy — it's almost fun. What *could* we do? What *might* we be? There's a vast, uncharted and unclaimed territory out there — what could we build on that new landscape?

Stage 5 of the evolution of the legal market is the only one in which lawyers are the ones driving the change. In all four previous stages, we've either been helpless bystanders or market responders; in this era, we get to make the first moves. This era might very well overlap with Stage 4, and it's possible we could see some early examples even in Stage 3 — but it's up to us.

Stage 5, if and when it happens, is when lawyers reinvent themselves. We evolve beyond our long-standing self-identification as document approvers, transaction facilitators, and dispute resolution shepherds. We saw our traditional inventory taken away by competitors, so we seek out new functions, new social and business purposes.

This process begins when we return to our roots. Lawyers will ask, of themselves and each other: Why do people turn to us? What do we bring to the table? With which traits and skills are we associated, and for which of these are we most valued? What do we offer that matters in an interconnected, unstable, and hopelessly complicated world? Here are some of the answers we'll come up with:

- Accuracy
- Analysis
- Authority
- Calmness
- Communication
- Connectivity
- Creativity
- Drawing Distinctions

- Facilitation
- Fairness
- Honesty
- Independence
- Logical Reasoning
- Order
- Pattern Recognition
- Persuasion
- Representation
- Rigour
- Rules
- Solutions

When we finish assembling this list and test-driving it with our clients, we then ask: to what new roles and positions could these characteristics and values lend themselves? We know what we used to do in the past; what might we do in the future? Here are some possible answers.

- *“Amazon.Law” Provider*: Sharp, focused, legally trained mind sifting through and analyzing clients’ vast storehouses of data to anticipate legal needs they don’t even realize they have.
- *Civics Trainer*: Roving instructor retained to inculcate the rule of law, rights and responsibilities, and other fundamental legal principles to students, employees and citizens.
- *Competitive Analyst*: Provider of sophisticated business intelligence operations, infused with deep knowledge of laws and regulations and employing rigorous organizational analytics.
- *Freelance Fact-Checker*: Trusted independent authority retained by governments, media and organizations to reliably separate fact from fiction in a truth-challenged society.
- *Judicial Subcontractor*: Dispute resolution expert deputized by judges to go out and “bring courts to the community,” increasing access to justice and clearing court backlogs.
- *Mobile Arbiter*: Conflict resolution facilitator called in to troubleshoot everyday disputes at homes or in the workplace before they become full-blown fights: “preventive ADR” on a moment’s notice.
- *Social Connector*: Using deep networks that range across business, government and private individuals, connecting people, organizations, ideas and initiatives that will complement each other, solve problems, and create opportunities.

These seven possible legal careers of the future complement [seven that I suggested](#) in a post earlier this year. You can come up with more, if you open your mind to the possibilities on offer.

Where do you start? Go ask your best clients what they think — but don't ask them about “lawyer of the future” jobs, because they won't be able to tell you. Henry Ford famously said that if he'd asked his customers what they wanted, they'd have told him “faster horses.”

Instead, ask your clients: what do you value about me, and about lawyers generally? What do we have that inspires your confidence and fulfills your hopes? What needs do you have, even subconsciously, that no one has offered to meet? If you had all the time and money and [information you needed](#), what would you set out to create? Help them envision their own future, and then find ways to get them there.

The near-term and mid-term future of the legal profession will be largely dictated by external forces. But throughout that process, and especially as we draw towards the end of that period of upheaval, we will gain growing amounts of control — not just over our own destiny, but also over the future course of the entire legal market and of the whole definition of what we mean by “legal” and “lawyer.” Stage 5 will mark the end of the legal market's evolution — but for the legal profession's own evolution, it will be just the beginning.

Jordan Furlong is a legal industry analyst and consultant based in Ottawa, Canada. He is a partner with the global consulting firm [Edge International](#) and a senior consultant with legal web development company [Stem Legal Web Enterprises](#). He also authors the award-winning blog [Law21: Dispatches From a Legal Profession on the Brink](#). He specializes in delivering dynamic and thought-provoking presentations to law firms, practice groups, and legal organizations about the future of the legal marketplace at a time of unprecedented marketplace change. (jordan@law21.ca, 613.729.7171).