

# Collaboration: What are the Opportunities?

## Group & Prepaid Legal Services

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BETTER ACCESS THROUGH  
UNBUNDLING





1.3 million attorneys in the U.S.

1.3 million attorneys

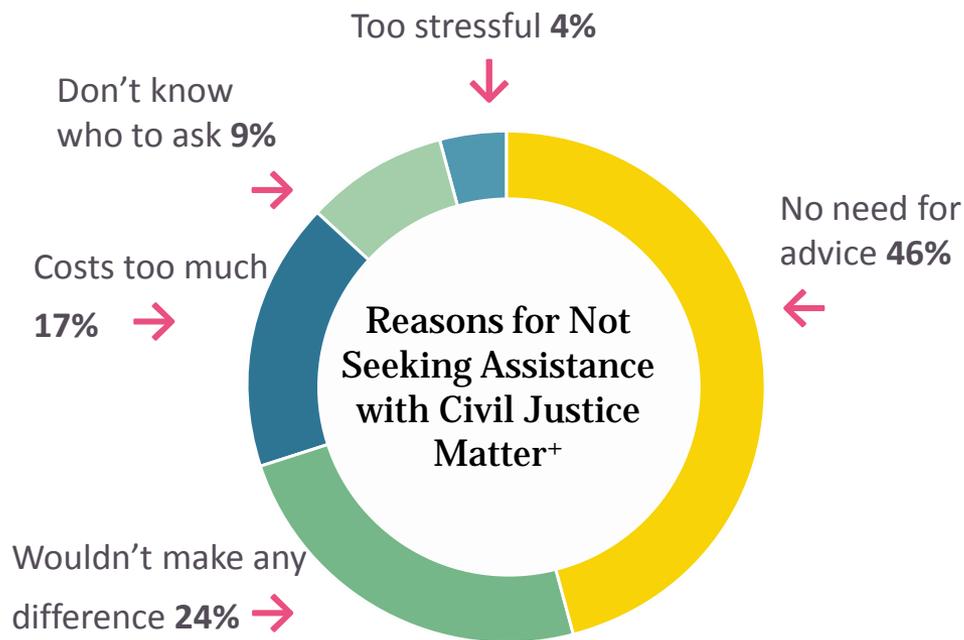
Yet only...

**24%**

of people with civil  
justice problems  
used an attorney



# Why is that?



Yet only...

# 24%

of people with civil justice problems used an attorney





*The United States ranked 94 out of 113 countries*

**for overall accessibility and affordability of civil justice in 2016.<sup>4</sup>**

*“Roughly 80-85% of the US population that is in need of legal services is underserved.”*

- Paula Littlewood, *The Professional Lawyer*, Vol. 23, No. 3, 2016.

*“People with low and moderate incomes are bypassing lawyers and turning to self-representation to deal with a variety of civil legal matters, often after referring to document preparation websites and other online companies serving the do-it-yourself model.”*

What Ethics Issues to Consider When Offering Unbundled Legal Services, *ABA Journal* June 2013

<sup>4</sup>Agrast, Mark David, Juan Carlos Botero, Joel Martinez, Alejandro Ponce, & Christine S. Pratt. *The World Justice Project Rule of Law Index 2016*. Washington, D.C.: The World Justice Project, 2016.

# Consumers Are Often Unrepresented

**CASELOAD:** 64% of the caseload = contract cases:

- 39% debt collection
- 27% landlord/tenant
- 17% foreclosure

16% small claims of \$12k or less

9% “other civil” (e.g. agency appeals)

7% torts

1% real property cases

**MONETARY VALUE/CASES:** 75% of all judgments were less than \$5200.  
*In 76% of cases, at least one of the parties is unrepresented(usually the defendant).*

*The Landscape of Civil Litigation in State Courts, NCSC, 2015*

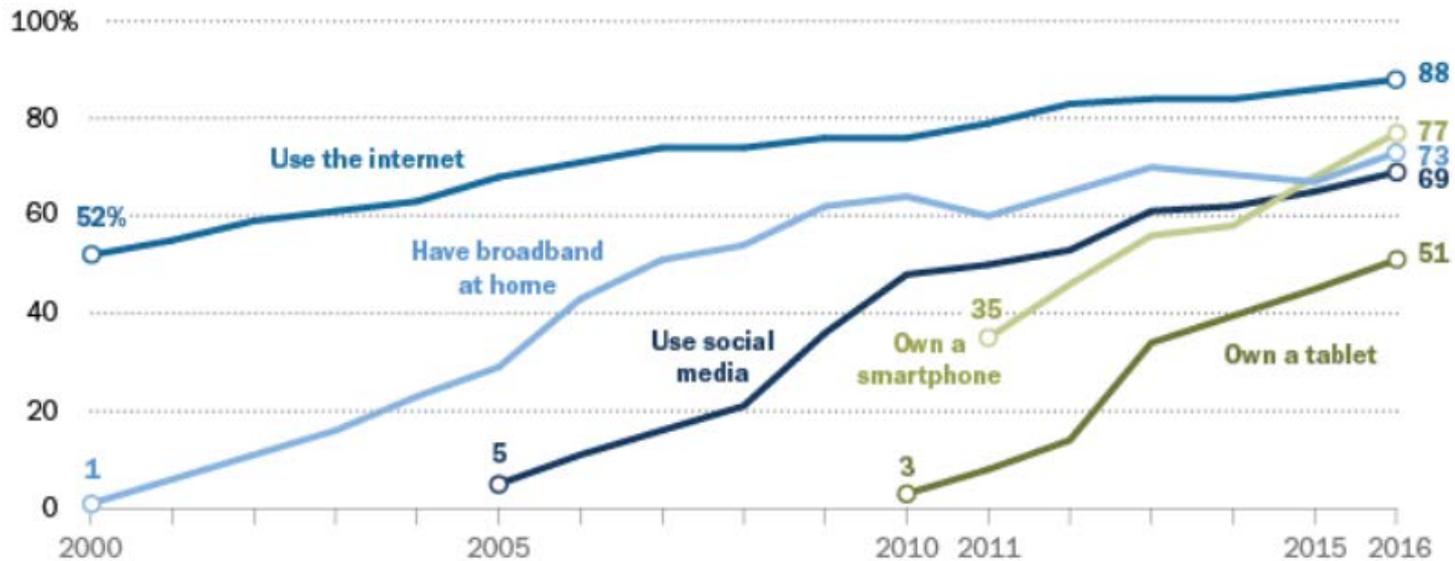
“When we look at the legal market from a seller’s perspective, it’s almost impossible to imagine why anyone would want to change it. But when we look at it from a buyer’s perspective, it’s almost *impossible to imagine why anyone would want to maintain it.*”

-Jordan Furlong, *Law is a Buyer’s Market – Building a Client First Firm*, 2017.

# Technology Evolution = Playing Field Changed Forever

## The evolution of technology adoption and usage

% of U.S. adults who ...



Source: Surveys conducted 2000–2016. Internet use figures based on pooled analysis of all surveys conducted during each calendar year.

PEW RESEARCH CENTER

*% of U.S. adults who own the following devices*

	<b>Any cellphone</b>	<b>Smartphone</b>
Total	95%	77%
Men	96%	78%
Women	94%	75%
White	94%	77%
Black	94%	72%
Hispanic	98%	75%
Ages 18-29	100%	92%
30-49	99%	88%
50-64	97%	74%
65+	80%	42%
Less than high school graduate	92%	54%
High school graduate	92%	69%
Some college	96%	80%
College graduate	97%	89%

Pew Research Center, Sept 29-Nov. 6, 2016

**Where are people getting their legal information?**



Three out of five “legal consumers” go online to investigate and/or resolve their legal issue.<sup>11</sup>



One in five legal consumers believes that with enough time and research they can “harness the knowledge and expertise of a trained lawyer.”<sup>11</sup>

Kabiri, Nika. “Sink or swim: How to adapt to the New Legal Consumer.” Avvo, 2016.

# Technology Impact On Firms

*“The affordability and accessibility of mobile technology, more specifically, the Internet and cloud computing, have changed commerce across every industry. Lawyers need to recognize that the Internet is the place where the majority of our communications are occurring rather than just a placeholder for a ‘real’ location such as the lawyer’s physical office space.” - Consumer Law Revolution, Stephanie Kimbro.*

**24% of firms are currently losing work to client technology solutions and another 42% see this as a potential threat to their firms’ business.**

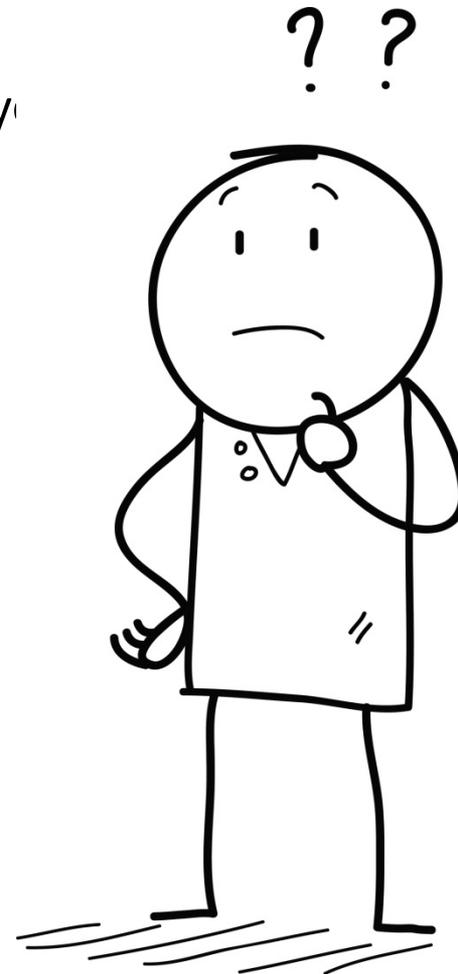
*Law Practice Today, Bob Young, Jan. 13, 2017.*

**52% of small firms have adopted new technology in the last two years.**

*Thomson Reuters Solo and Small Law Firm Solo and Small Firm Survey, 2016.*

# Problems With the Current Delivery Model

- Great imbalance of power between buyers and sellers
- Legal solutions restricted to one type of seller
- Priced to serve the interests of sellers, not buyers



# Buyer Experience $\neq$ Buyer Expectations

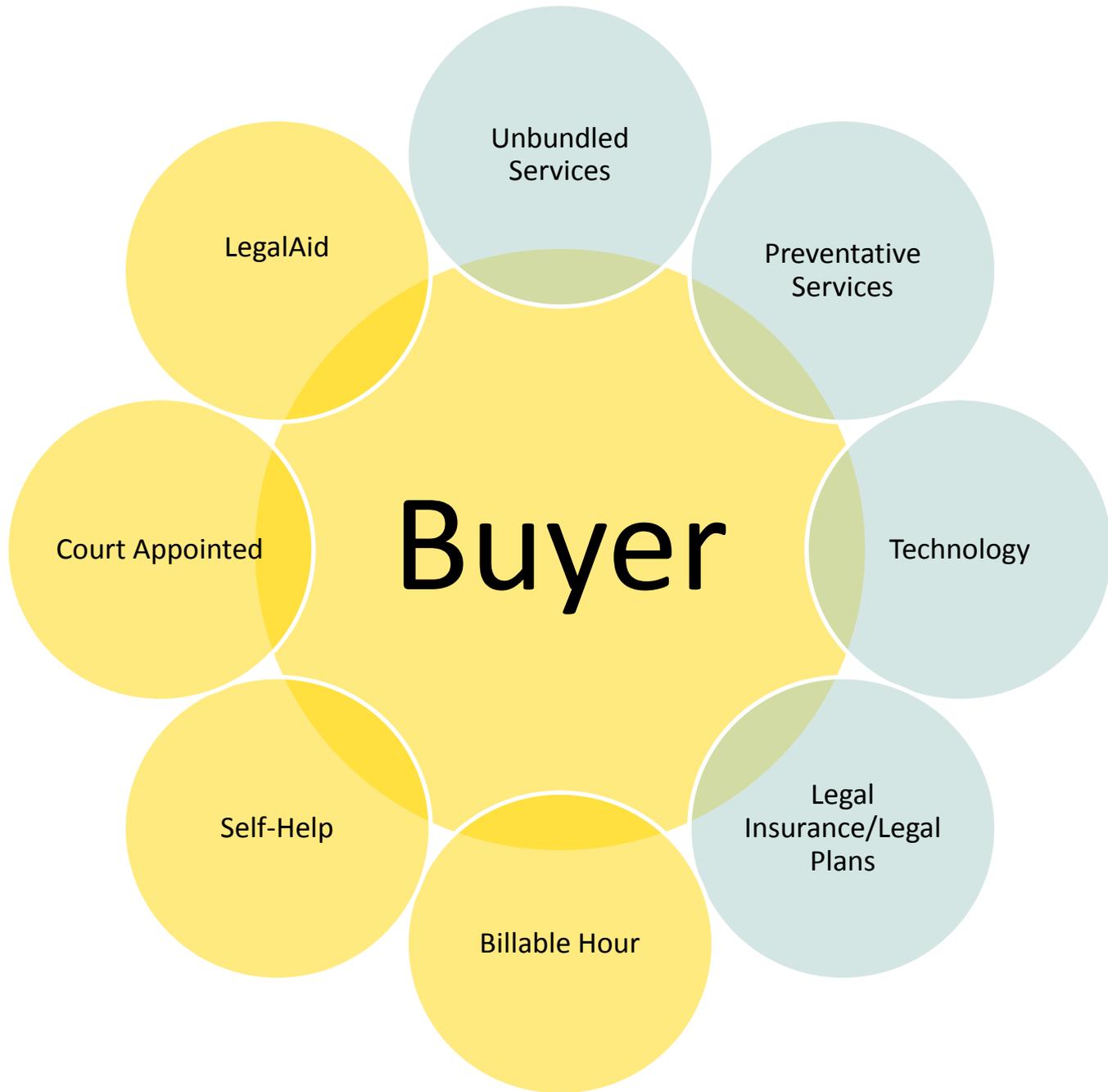
“Legal services buyers hate the way the legal market operates, they deeply resent the frustration and helplessness they often experience, and they’ve come to seriously begrudge the people who have benefitted from it.”

- Jordan Furlong, *Law is a Buyer's Market – Building a Client First Firm*, 2017.

## What if?

- We looked at the distribution and delivery of legal services from a buyer’s point of view?
- How could we make our services more convenient?
- How could we make our services more accessible and affordable for everyone?

**What if everyone had fair and equal access to quality legal services *on their terms*?**



**Buyer**

LegalAid

Unbundled  
Services

Preventative  
Services

Technology

Legal  
Insurance/Legal  
Plans

Billable Hour

Self-Help

Court Appointed



# Collaboration – Key to Get Started



# Reasons Why Some Buyers Seek Unbundled Legal Services

- They cannot afford to pay for full legal representation.
- They want the flexibility and convenience that unbundling may give them.
- They would benefit from alternative fee arrangements, such as the fixed fees and value billing that can accompany unbundled services.
- They are less intimidated and more comfortable using the Internet to communicate and accomplish their business needs rather than making an appointment at a traditional law office.
- They live in remote areas or for other reasons
- DIY Mentality = increasing from everything to online shopping, banking, communicating, etc.

# Where to Start - Unbundling

**Look at your business model** – Are there limited scope and/or flat fee activities that you or a colleague could be offering to bring new clients in the door?

**Blog** – Create buyer-focused educational content to build awareness of if/when there is a legal issue along with steps to take for preventative measures. Consider working with other lawyers in your area to create a blog together.

**Legal Checkup** – Get involved with your state bar to partner with a provider of a legal checkup tool for buyers in your state. The tool should be designed to:

- Help them identify if they may have a legal problem.
- Define resources are available to them (remember ALL the circles).
- List actions they can take.
- Provide questions they should ask.



# Legal Insurance/Legal Plan Partnerships

**World Justice Ranking** – The top 10 countries included Norway, Netherlands, Spain, Portugal, and Germany – they all have something in common - **legal insurance.**

- 74% of people experienced at least one legal life event in the past year.
- 55% of these people reported it impacted their work.

*Measuring the effects of Employee Financial and Legal Woes, ARAG<sup>®</sup>, 2012*



*Online*



*Over the phone*



*mobile devices*



*in office*

# Legal Plans = Better Outcomes for Buyers



**88 percent** of people who use ARAG attorneys are likely to refer them to friends and family.



ARAG has an **88 percent retention rate** for the more than one million individuals covered by our plans.



**90 percent** of ARAG plan members feel that having legal insurance **reduces their stress.**



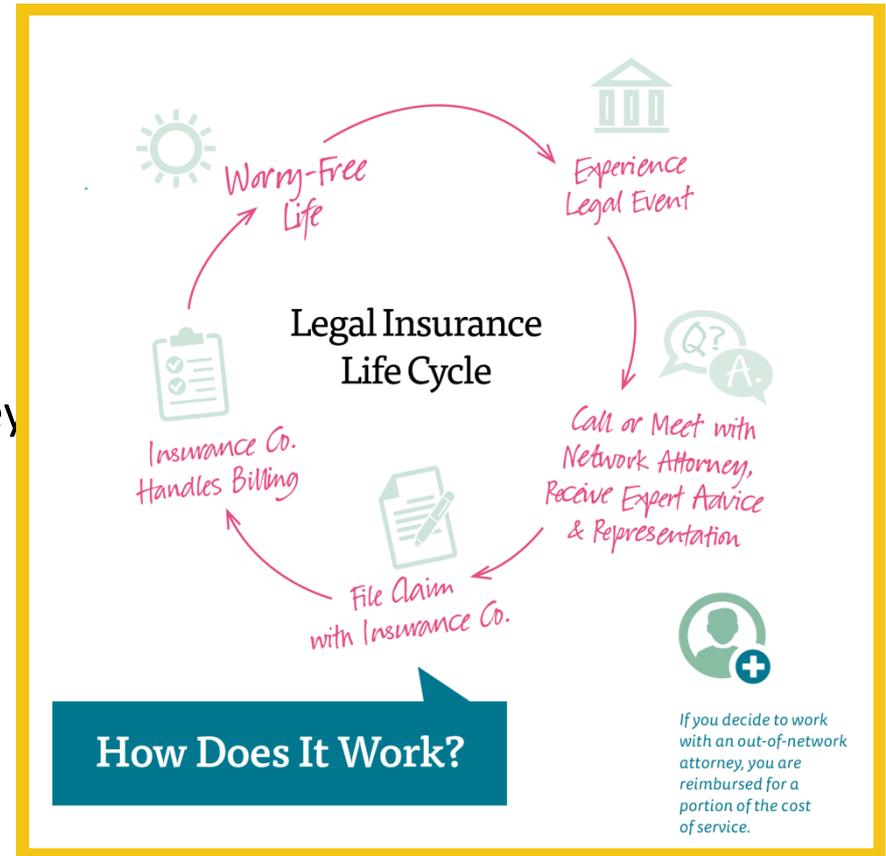
ARAG plan members feel that legal insurance **saves them an average of 8.5 hours** when dealing with legal issues.

*April 2013 Russell Research study, commissioned by ARAG*

A 2016 ARAG study found that people who used an attorney reported that they received an **additional \$2,700** on average (in cases that involved a settlement) thanks to the attorney's assistance.

# Legal Plan Partnerships Help Attorneys

1. Build Awareness
  - a) Of a legal issue
  - b) Of the importance of an attorney
2. Tools to increase business efficiencies
3. Technology
4. Affordable access to attorneys
5. Consumer connected with the attorney
6. Prepared clients
7. Feedback from members
8. No Fees
9. Direct payment
10. Client-centric practice
11. Innovation
12. Mentoring – Network
13. Value Add Benefits (Content collaboration, advisory panel, media opportunities)



# Why Now – A Changing Industry

## Private Financial Interests Fuel Change

**Legal Transformation Institute estimates the legal market to be worth \$400 billion:**

- \$274 billion in practicing lawyer market,
- \$7.2 billion in research,
- \$5.5 billion ediscovery,
- \$5.17 billion Government Rules and Compliance,
- \$ 5 billion in-house legal,
- \$1.5 billion in legal temp staffing,
- \$1.1 billion legal process outsourcing.

*[The] Rest is untapped potential with consumers and small businesses (**\$45 billion each**) who encounter legal events but do not use a lawyer.*

Joshua Kubicki "Make that \$400 billion for US Legal Market Size." Legal Transformation Institute.

February 24, 2014

**83%** of law firm leaders believe competition from nontraditional service providers is a permanent change in the legal market.

*Law Practice Today, Bob Young, Jan. 13, 2017*



*“Agility will become as commonplace a labor concept in law as in many other industries.”*

- Jordan Furlong



**Presented by Nicolle Schippers,**  
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