

Legal Analytics Survey Results 2022

The Impact of Legal Analytics

2022 Survey Webcast: The Impact of Legal Analytics

Watch as Karl Harris, CEO of Lex Machina, interviews Steven Lerner, Senior Reporter at Law 360, to discuss our latest Legal Analytics survey: The Impact of Legal Analytics. The study was conducted in January 2022 among U.S. litigators, librarians, and legal business professionals at law firms of varying sizes. We received responses from 411 individuals between January 6, and January 12, 2022.

In this webcast, our speakers discussed:

- How Legal Analytics users leverage data to their advantage
- See the drivers and the benefits of analytics in law.
- Hear what has prevented some firms from adopting this technology
- And more

Speakers:



Karl Harris
CEO
Lex Machina



Steven Lerner
Senior Reporter
Law360

Karl Harris (00:00):

Well, hello everyone. Welcome to our webcast covering Lex Machina's 2022 survey about the impact of legal analytics. My name is Karl Harris, and I'm the CEO of Lex Machina. For those of you who aren't familiar with us, I'd like to introduce Lex Machina quickly and I'll keep it really simple. Lex Machina is legal analytics and legal analytics help you win. If you don't remember anything else about Lex Machina, I hope you remember this, Lex Machina helps you win more business and win more cases. Specifically, we enable you to make data driven decisions to answer questions like how is a judge likely to behave in a certain scenario? What's the best winning strategy for my particular case? Or how has opposing counsel behaved in cases like mine? How do I convince my client that I'm the best law firm to represent her in this case? And relevant to today's webcast, what litigation trend should I know about to best serve my clients and best manage my firm or in-house legal department?

Karl Harris (00:58):

We call these capabilities legal analytics and for last six years, we've conducted a survey about the impact of legal analytics on the business and practice of law. In the next 30 minutes, we're going to take a look at some of the key results and insights from this year's survey. I'm very excited today to be joined by Steve Lerner, who's a senior reporter at Law360. Welcome Steve, can you take a quick minute to introduce yourself to our audience?

Steve Lerner (01:26):

Yes, Karl, thank you so much. It's really great to be here. Thank you for having me here. My name's Steve Lerner. I'm a senior reporter for Law360. I work up for Law360 Pulse, which is the business of law coverage for Law360. I focus on the section modern lawyer, specifically with a focus on legal technology, which includes all the different software and hardware used by legal professionals, including legal analytics so I'm really excited to be here to take a deep dive in this really interesting report.

Karl Harris (01:58):

Awesome, thanks Steve. Glad and welcome. All right, so first let me tell you a little bit about a survey methodology and then we're going to dive right into the results. So we conducted this survey in January of 2022 just last month via email and we sent an email to us litigators, librarians, and legal business professionals at law firms of varying sizes. So all sorts of different legal professionals across the US. We got 411 individual responses the week of January 6th and we aggregated all those responses and that's the data that we're going to be looking at today. And the format of the survey was the very first question was, "Do you use legal analytics?" And if the respondent said yes, then it takes them to eight questions about how they use legal analytics and their practice. And if they answered no, then it was eight follow on questions to a little bit more about their awareness of legal analytics in the business and practice of law.

Karl Harris (02:52):

All right, now let's dig into the results. The very first set of results here in my mind really shows that legal analytics is becoming table stakes for litigation and I want to reinforce that by going through these four data points here. So first of all, at the very top of the survey, 68% of legal analytics professionals mentioned that they are using legal analytics in their practice, and that's an increase of 7% just from last year and so we're reaching a point where nearly seven out of 10 people randomly surveyed in the US are using legal analytics in their practice. And the second data point, also very interesting to me, which is

that 98% of users say legal analytics is either invaluable or somewhat valuable in their practice and that's the same number as last two year. And what that tells me as we add more and more people to be using legal analytics, they're finding it valuable in the practice at the same rate that folks did before, which is a great trend.

Karl Harris ([03:49](#)):

More and more people are using legal analytics, they like it, they find value in their practice. And then interestingly, the third data point, 78%, so nearly eight out of 10 non-users think that legal analytics could be valuable to their practice and what that tells me when I see that, which is a growing trend of people using legal analytics, a very high percentage of people finding value in the practice, and even people that don't use it see the value, we're going to see this trend of people using it increase in next year's survey results. And then finally this fourth statistic, which I really like, 66%, so nearly two thirds of users think legal analytics makes them a better and more informed lawyer. As we all know, lawyers can be a confident bunch. I think if you asked a lawyer, "Would anything make you a better lawyer?" They might say no. so the fact that two thirds of folks that legal analytics is making them a better lawyer is a great sign for the future of legal analytics. And Steve, when you saw these numbers and these results, what were you thinking about in this phase?

Steve Lerner ([04:52](#)):

Yeah, when I saw the results, I was thinking about a lot of the conversations that I've had with law firms. I've covered the survey results this year and last year and these results match what I'm seeing where a lot of law firms are telling me that their attorneys are frequently requesting access to analytics during different stages of a case. It is clear that both users and non-users see value in this type of technology.

Karl Harris ([05:20](#)):

That's great. It's always good to hear your conversations as you're covering the legal market are matching these statistics as we see so thank you for sharing that. All right, let's take a look at the next slide. So this is all about adoption drivers. So this question was to help figure out if you are a user of legal analytics, what are those drivers that made you adopt it in your practice? And some interesting results here. So first of all, I like these first two numbers, which is that 74% say that successful litigation outcomes drove their usage. We know that of course a lawyer is always under a lot of pressure to win and deliver great outcomes for their clients. 74% say legal analytics is helping them do this and 62% say improved efficiency drove their usage.

Karl Harris ([06:06](#)):

We also know while there's obviously pressure to deliver good outcomes, there's more and more pressure to do that in a cost effective and efficient manner and legal analytics helps with both. Last two numbers I was also interested in, so 44% say client expectations drove their usage and I find this very interesting. Most important is the first two statistics, which is that lawyers see value in legal analytics in their practice, but clients are also demanding that lawyers use legal analytics, use data to inform their decisions and then finally, 40% say business development drove their usage. I expect this number to increase over time as lawyers realize that using analytics to showcase their expertise and their track record, then their suitability for particular matters becomes one of the bigger adoption drivers in the future. Steve, what were your thoughts on these numbers?

Steve Lerner ([06:56](#)):

Yeah, so just taking a deep dive at some of these numbers, like when you look at successful litigation outcomes, it was identified by both users and non-users as the top driver of legal analytics. So the 74% of users who agreed with that, we also saw 49% of non-users agree with it. That's almost half of non-users saying that successful litigation outcomes is a driver. You also saw half of non-users also agree that it was improved efficiencies as well that is a big driver. So I think it goes back to the whole point that value can be shown to both users and non-users about legal analytics.

Karl Harris ([07:38](#)):

Yeah, great observation and picking up on that trend about the differences between users and non-users, this next set of data points is all about asking people who were non-users what are the inhibitors to those adoptions? So we have already covered the trend of growing usage and then why people who are users are using it, but this slide dug in a little bit into if you're a non-user, why are you not using legal analytics?

Karl Harris ([08:03](#)):

... if you're a non-user, why are you not using legal analytics? The number one response given was that they're unfamiliar with available products, at 46%. Or 41%, they don't really understand what legal analytics is or that they have a lack of training or expertise. And really what that tells me is that it's not that non-users aren't seeing the value in the potential for legal analytics, it's that they don't know how to get started. They don't know which products to use. They don't really understand what it is or they don't have the training, and that's something that's on us as legal analytics providers to make more and more people aware. But Steve, when you and I were talking about this results, you mentioned potentially the role of law schools. Why don't you tell us a little bit more about that?

Steve Lerner ([08:45](#)):

Yes. So law schools are beginning to recognize the importance of legal technology. There have been several actually that have already adopted legal technology certification programs, and I'm sure that legal analytics is on their radar to be able to teach that to their students. I believe in the survey, about 22% of non-users also found that legal analytics should be taught in law schools. It just goes to show that the value can be shown to both not from non-users and users. It's really one of the biggest reasons, as you've been pointing out before, that non-users have not really adopted this software yet is because of the lack of training, lack of understanding. It goes back to, well, if you teach them at law school, they'll get training, they'll get an understanding and that will drive further adoption of legal analytics. So I think that goes back to the role of law school in making sure that legal analytics becomes more mainstream.

Karl Harris ([09:44](#)):

Yeah, that makes a lot of sense. I've always thought, as a former law student myself, the use of legal analytics during the on-campus interviews would be a really valuable tool to help figure out which law firm might be best suited for the type of practice that you're interested in. So in addition to training folks how to use it in their practices, there's some value right there in helping figure out which law firms might be a good fit for a particular student.

Karl Harris ([10:10](#)):

All right, let's check on the next slide. So we talked about adoption drivers, adoption inhibitors and overall usage, this is for those who are users, how are you using legal analytics in your practice? And we

broke this down into two sections, so there's the business of law, which is all about winning new business and winning new clients, and then there's the practice of law, which is all about winning cases once you win that business. Steven, when we talked about this, you had a lot of observations on these numbers so let me turn it over to you to drive the conversation on this slide.

Steve Lerner ([10:46](#)):

Thanks, Karl. So when you look at the top point for business of law, pitching or demonstrating expertise to clients, 69% of users identified with that. Only 30% of non-users identified with that. It was, of all the data points, the farthest apart between users and non-users when it came to those who saw the value of legal analytics and not. So I think that is pretty relevant, the fact that it was the biggest gap.

Steve Lerner ([11:13](#)):

When you look at this year's results compared to last year's results, there were several improvements. The area of lateral hiring, which was recognized as 14% this year, that's up from 10% in last year's survey. This actually coincides with another report put out not too long ago from Leopard Solutions that found that lateral hiring at top firms increased in 2021. So it seems that a lot of firms that are increasing their lateral hiring are using legal analytics as a tool to make it more efficient.

Steve Lerner ([11:45](#)):

And that's not the only area in the survey that jumped year over year, as you see pricing and bid services, that's 29% this year. That's up from 26% last year with users. And then when you look at litigation finance, another area that we've seen a lot of growth in law firms, it jumped as well. It was up 21% last year. So that's just on the business of law side.

Steve Lerner ([12:10](#)):

Turning things over to the practice of law we can see that both users and non-users see the importance of gaining competitive insights on judges, parties and opposing counsel. We know that 80% of users felt that way. We also know that 47% of non-users felt that way. That's nearly half of them. Likewise, case assessment, 73% of users identified with that. We saw that about 50% of non-users identified with that as well, showing that even half of non-users can see the benefits of legal analytics in these two areas in the practice of law. Looking at last year's results, we see that the predicting outcomes of arguments or strategy, this year it's 55% of users who identified with that, last year was 49%. So that's an increase year over year. And then in the area of drafting better motions, this year it's 50% of users who identified with that use case. Last year it was only 44%. So we're seeing that a lot of use cases are increasing with legal analytics in both the business of law and the practice of law.

Karl Harris ([13:17](#)):

That makes a lot of sense. Thanks for that run through. I've always found it fascinating, the flagship ones of pitching or demonstrating expertise to clients and gaining competitive insights on judges, parties and opposing council. When we are pitching legal analytics, that's what we're telling our customers and our prospective customers that you can use legal analytics for. But it's interesting how you point it out that these use cases that are lower in the response rate from that are growing over time. I think that's fascinating because as folks transition their practices to use legal analytics and to be more data driven I think they're just discovering more and more ways to use analytics across their firms. Would you agree with that, Steve?

Steve Lerner ([13:59](#)):

Absolutely. You may have a firm that adopted it for the purposes of trying to pitch or demonstrate expertise to clients but over time they realize, "Hey, this tool could also be used for lateral hiring. [inaudible 00:14:11] used to help us with litigation finance or other types of use cases." So we're finding that law firms realize there's more than one use case with their analytics.

Karl Harris ([14:20](#)):

That's great. Thanks, Steve.

Karl Harris ([14:23](#)):

All right, next slide. So the big takeaway in terms of this slide, which is all about asking users what were the benefits that they saw in their litigation practice? So again, we covered adoption drivers, adoption inhibitors, and then key use cases, and this was all about benefits, like how does this benefit me as a law firm, me as a legal practitioner in my practice? The key takeaways here, again, efficiency and competitiveness. So folks note that it makes them more efficient, more cost effective, it makes them more competitive, being better able to produce good outcomes and good strategies, and being able to better respond in a competitive way to opponents.

Karl Harris ([15:06](#)):

But also I was interested in this third data point here is about confirmation. So 46% say it helps them confirm their strategy, and that's all about data driven decision making. You may have a hypothesis and testing that with data or better yet, when you describe to your client what your strategy should be, providing the data to back up why you're making that recommendation is a really important thing, especially as clients demand more and more of data driven analysis. So I thought that one was interesting. And also speed, which is the flip side of efficiency, but 46% say it has increased their speed of case assessments. So for a new case, when you're trying to figure out what's going on, is this an interesting piece of business, legal analytics can help you make that assessment quickly and more efficiently. What were your thoughts on these numbers, Steve?

Steve Lerner ([15:55](#)):

Yeah, Karl, this mirrors exactly what I've found in conversations with law firms. Oftentimes these tools are compiling data that-

Steve Lerner ([16:03](#)):

Oftentimes these tools are compiling data that many lawyers would wouldn't go after because it could be time consuming, especially if they're trying to go after that data for a client. Being able to grab this data through legal analytics makes lawyers more efficient. An example includes a manual data grabbing whether, you're trying to find out how a judge might rule for example in a certain case. Trying to go through that data is time consuming and efficiency really is the name of the game when it comes to legal analytics.

Karl Harris ([16:35](#)):

That's great. I heard a great quote yesterday when I was talking to one of our customers who said, data's not just everything, it's in everything. So being able to infuse data into all these processes that makes

you more efficient, more competitive and faster, I think is going to provide great outcomes for clients over time.

Karl Harris ([16:58](#)):

This next slide I really like because it gets at a trend that we're seeing more and more over time, which is all about integrating legal analytics in other areas of your practice. This question asks users, would you like to integrate legal analytics with other available data in your organization, and 63% of respondents say yes. I think that this trend, if I were to pick one trend that I would predict will go up over time it's probably this one. We like to think of this as like the trend towards legal analytics everywhere. We've obviously been able to deliver legal analytics through Lex Machina's product over time, but one of our big initiatives this year is to release a Lex Machina API that allows you to use Lex Machina litigation analytics in your own work streams, in your own workflows, or combine it with your own internal data, so you have the publicly available litigation data and your own internal data. Or put it on your own internal dashboards that you're presenting to your own lawyers and attorneys at your firm or in client facing situations.

Karl Harris ([18:09](#)):

This is something that I'm really excited about. We're going to talk about it at Legal Week in New York in a few weeks, but definitely something that's risen in the last few years. I'm curious, Steve, when you're out there talking to folks, is this matching what you're hearing people say about out their future projected use of data in their practice?

Steve Lerner ([18:28](#)):

Absolutely Karl. Law firms realized more so now than ever before that they are sitting on a gold mine of data, especially as it relates to legal analytics. In my conversations with law firms they realize that the more data points that are being captured, the better these tools such as legal analytics can work for the law firms. They realize entirely the importance of not just legal analytics, but how it fits into this whole data ecosystem.

Karl Harris ([18:56](#)):

Yeah. Makes sense. Like I said, I think this is going to be one of the biggest trends in legal service delivery over the next few years, law firms are actually hiring an internal staff, IT staff, software developers, folks that can make sense of data and different databases and actually write code to connect with APIs and produce internal tools. Very excited it to be part of and drive this trend as it moves forward over the next few years.

Karl Harris ([19:26](#)):

This question was an interesting one. We asked folks what were unexpected benefits that you see from legal analytics in your practice that you didn't really see necessarily going in when you adopted legal analytics. This was a free form answer, we put some of the examples here, but I wanted to pick out two that I thought were interesting myself, which is this one in the upper right here. Legal analytics has empowered us to keep our clients better informed on judges, opposing counsel, and jurisdictions. That's really music to my ears because that's what we say legal analytics can help you do. so for customers and users of legal analytics to echo that back, tells me that we are finally getting our message out into the market and people are understanding how legal analytics can help their practice.

Karl Harris ([20:13](#)):

Then the other one I like to point out is this one here in the lower left. It has become an efficient way to locate our own winning work product. Before particular courts and judges we don't need to use in-house profiling when legal analytics platforms do it for us. That one's really interesting to me as somebody that's been in the technology space for years and years, it reminds me of something that folks used to say about Google, probably about 10 to 12 years ago, which is that I can't find anything on my own internet, but Google can find it for me. I just use Google to search my company's internal files and things like that. That really seems to be echoed here, which is, analytics is pulling everything that happens in the litigation track record, coding it, tagging it, figuring out who was involved, what were the outcomes and things like that. And the fact that, this particular individual found that it was easier to locate their own work product through a legal analytics tool, I just thought that was really interesting and it reminded me of those Google conversations that we had about a decade ago.

Karl Harris ([21:17](#)):

When you saw these responses, Steve, what were the ones that jumped out to you?

Steve Lerner ([21:22](#)):

For me, I think that big red one towards the bottom, it has been a very time efficient way to sift through large amounts of data. That matches exactly what I've been hearing from law firms. They have all this data, they need to go through it efficiently and legal analytics is one of those tools they can utilize to actually accomplish that.

Karl Harris ([21:44](#)):

Yeah, that makes a lot of sense. Then one other one that I like to notice is that this one over here on the right. Lex Machina's shareable links to analytics data make it easier to engage clients and attorneys to want to self-help and interact with the data themselves, it makes analytics seem more accessible. This whole philosophy about engaging clients directly with the data which you can do through our product. Now, I think also speaks towards the upcoming trend we just talked about, which is legal analytics everywhere, through the API, through getting data built into internal law firm tools that they can then share with clients. I really like this trend about clients themselves getting more engaged with the data and empowering the decision making that law firms used to do on their behalf. I want to leave a couple of minutes for questions because we do of questions coming in. But first I actually would like to ask my own question for you, Steve. When you reviewed these results and you saw the survey and like you said, you've been covering the survey for several years now, what surprised you the most about the survey results this year?

Steve Lerner ([22:56](#)):

That's a good question. After are looking at the results this year and more importantly comparing them to last year, I think what I really took away was the fact that not only the use have gone up, the more users this year than last year, which is good, but the fact that for the second year in a row you have non-users seeing benefits in legal analytics. That means there's at least some awareness about the importance of these products. Then also seeing the increased use cases in areas like litigation funding and lateral hiring. To me that fits to what we're hearing, but I'm happy to see that legal analytics users are getting in on that as well.

Karl Harris ([23:34](#)):

Yeah, that makes a lot of sense. I think for me, the biggest surprise was the very high rate of response for folks that want to integrate analytics into their practice, the 63%. When I am out there talking to folks who are running law firms, we've had these conversations, probably for the last five years or so. But law firms now are really ready to do that, to integrate with an API in a way that they haven't-

Karl Harris ([24:03](#)):

... To do that, to integrate with an API in a way that they haven't necessarily been ready. In say three years or four years ago there was a lot of talk about it, but now it's really happening and so that was a nice pleasant surprise to see that number be so high, and like I said, I think that's something that's going to tick up in the future.

Karl Harris ([24:18](#)):

Okay, so we have some questions from the audience here, and so let me just get organized quickly. The first question is how do legal analytics improve efficiency? I see it moving work to different tasks, or maybe new ones, but not necessarily reducing time spent. Maybe I'll take a quick pass at that one and then get your insight, Steve.

Karl Harris ([24:48](#)):

In terms of improving efficiency one of the things that analytics can do, and does do very well, is helps you very quickly locate information that's relevant to your particular situation. For example, we saw on the last slide the person saying it helps me locate my internal work product and things like that. Analytics can help you do certain things that you've never been able to do before, to the point of the question, but can also make things that you used to do much, much faster. For example, law firms and lawyers have always tried to do competitive analysis in a particular situation and see what the track record is for an opposing council, or they've tried to figure out what cases might be relevant to look at for their particular case, and analytics helps you do this in a click of a button. You can easily analyze the entire track record of an opposing council very quickly, and also in a way that you've never been able to do before. You can also locate information about cases that are similar to yours with outcomes that you want to achieve, in ways that are much faster and also not possible previously.

Karl Harris ([25:51](#)):

That's probably my headline answer to how analytics improves efficiency. Steve, what would be your take on that question?

Steve Lerner ([25:57](#)):

Yeah. I mean, let's say you're a law firm and in conversations that I've had, let's say you want to evaluate cases before you go to trial. You want to do a deep analysis of the judge, you want to say, okay, is this judge a good draw? Is the judge going to grant certain motions? Legal analytics can find that for you. Doing it manually, it would take a very long time and that's time wasted, and so you want to gain a competitive advantage using technology such as legal analytics can really achieve that.

Karl Harris ([26:28](#)):

Great, thanks Steve. One more question here says, do you provide individualized training and technical assistance. I think that one's for me.

Karl Harris ([26:39](#)):

At Lex Machina, yes, we do. If all Lex Machina customers can attend trainings, we have a fantastic customer success team whose entire job is to make sure that you are successful using Lex Machina and legal analytics. We provide individualized training if you need it. We provide group training if you need it. Rest assured that we can teach you how to use legal analytics to make your practice more effective and more efficient.

Karl Harris ([27:05](#)):

One other question. I like this one. Says, what are your predictions for next year's survey? We've talked a little bit about that, but maybe encapsulating our thoughts into a specific answer to this question would be helpful. Steve, what's your take on your predictions for next year?

Steve Lerner ([27:23](#)):

Yeah. I think some of the use cases, specifically lateral hiring, which we saw increase year over year this year, I think there'll be more increases in the following year. It just... I mean, if more law firms are using legal analytics and we also know that more law firms engaged in lateral hiring, it goes to assume that that number is going to increase in the following year.

Karl Harris ([27:45](#)):

Yeah, that makes a lot of sense. For me, I'll take the softball route, which is, I think that we're going to see more usage next year. The three trends that are from the very first slide, which is usage increased from last year to year and when it increased, people were still happy with the value of legal analytics. 98% of them were happy with the value. The fact that so many non-users see value in legal analytics, that tells me you've got more users, they're happy. Non-users see the value, those non-users are going to be converted into users.

Karl Harris ([28:21](#)):

All right. We just got another question in here. Just quick time check. We've got about another minute. It says, can you talk a little bit about how you use legal analytics in lateral partner hiring. Steve, I know you've been talking to folks about this for some time. Maybe you take the first stab at that question.

Steve Lerner ([28:42](#)):

Yeah. I think it's just really, when you're assessing data about the hiring potential of that person and what it means for your firm, data's going to be everything. With legal analytics, you can quickly assess what the best moves are in terms of legal lateral hiring. That's what it comes down to, real quick.

Karl Harris ([29:01](#)):

Yeah, it makes a lot of sense. It's the flip side of companies selecting outside counsel by looking at their track record and figuring out who might be the best person to represent them on a particular matter. When you're a lateral hiring partner, you're looking at the same thing, which is whose track record is something that you want to bring into your firm. Yeah, I agree with you 100% on that, Steve.

Karl Harris ([29:23](#)):

All right. It looks like we're out of time and we're out of questions. Just quickly, I want to close by reminding everybody that anyone who attended the webinar today will receive an email with a link to

the webcast recording, a transcript of the webcast, and a link to request a survey kit, which has the full survey results for each question asked in a breakdown, a full infographic, and also a brand new Above the Law white paper about the findings. Thank you so much for joining our webcast. Stay tuned for an email with those resources. Thank you, Steve, for joining. I really enjoyed chatting with you and thank you for being here today.

Steve Lerner ([30:02](#)):

Thank you, Karl. It was great. Thank you for having me. I really enjoyed it.

Karl Harris ([30:05](#)):

All right. Thanks everyone. With that, we'll conclude our webcast.