

Online Legal Services and Virtual Lawyering: What is it, Why is it Important and What Do You Do Now?

Connecting with Law Firm Clients Online

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Executive Summary

This paper is addressed to solo practitioners and partners in small law firms that serve consumers and small business and who are exploring strategic alternatives for increasing revenues and profits in an increasingly competitive market environment. A hopeful result of reading this White Paper is that lawyers will be better positioned to lead their firms through the deeper issues involved with deploying a service delivery strategy that captures emerging client markets.

Introduction

It is no secret that the legal profession is highly stratified. Large law firms serve large corporate clients. Solos and small law firms serve consumers and small business. These are two different worlds. Marketing the services of large law firms is very different than marketing the services of solos and small law firms.

By and large, large law firms compete for a finite number of large corporate clients, whereas the markets for consumer legal services are constantly shifting, with some markets contracting (e.g., Chapter 7 Bankruptcy) while other markets are expanding (e.g. Immigration). Consumer markets can be segmented by type of substantive practice and also by client demographics. For example, one specialist in divorce law may serve primarily a middle income class clientele community, and another divorce practitioner has very wealthy clients with millions of dollars in assets. Yet, a large proportion of the consumer market remains underserved by the legal profession because of affordability and access issues.

This White Paper focuses on enhancing the productivity of solos and small law firms through the use of Internet technologies. We also discuss marketing online legal services to consumers and small businesses, as distinguished from marketing the legal services of larger law firms that serve primarily corporate clients.

The Market for Consumer Legal Services

The market for consumer legal solutions is changing in fundamental ways, primarily because of the ascendancy of the Internet. We have estimated that there is a huge latent market for legal services – approximately \$20 billion annually - that is not currently being served by the legal profession.

During the last seven years we have seen the emergence of a new category of non-lawyer - legal information web sites that offer direct-to-consumer, very low-cost legal solutions. The legal information industry of self-help books/forms has gone online. It has the solo and small law firm segment of the legal profession squarely in its sights. A legal information solution can often substitute for the professional services of an attorney. This is the new reality that the legal profession now faces.

During the past five years, literally hundreds of legal information websites have emerged, offering services in the area of wills, divorce, adoption, bankruptcy, business incorporations, child support enforcement, living trust creation, debt counseling, immigration, trademark search, copyright registration, patent registration, and landlord-

tenant law. These sites offer web-enabled legal forms, legal information services, advisory systems, law guides, FAQ guides, and other tools for legal problem resolution, short of delivering what could be called “full legal services”.

These new alternatives are capturing or acquiring clients from both the “latent market for legal services” and from existing law firms.

These new non-lawyer legal web sites are very efficient. Once content is published to the site there is little else that the publisher has to do to generate cash flow, except to market the site on the Internet. Consumers pay with a credit card. Cash flows directly into the publisher’s account within 48 hours of purchase. The economic models for these web sites are an excellent example of “*how to make money while you sleep.*” Other than marketing and customer support costs, there is little work to do once the content has been published. The revenue flowing from the purchase of legal form content, whether the legal forms are automated or not, can be viewed as a royalty stream which continues to flow to the publisher as long as the product is available for sale. There is a cost in maintaining the currency of legal form content, but it is not a significant cost factor. Many legal forms are very stable in terms of content changes and do not change from year to year. We have first-hand knowledge of this business model, having built a multi-million dollar online legal form business through our affiliate company, [Epog, US, Inc.](#)

The impact of these legal information web sites on solos and small law firms is just beginning to be felt, but it is not insignificant. In one area alone, *no-fault divorce*, we estimate that online divorce sites, such as [CompleteCase.com](#), [LegalZoom.com](#), [DivorceLawInfo.com](#), and [USLegalForms.com](#) have processed more than 50,000 online divorces in the past 18 months. Other specialized web sites such as [LegalEinstein](#), [LegacyWriter](#), [Nolo.com](#), and [Wills-Online.com](#) claim to be processing thousands of wills, powers of attorney, livings will, and health care powers of attorney annually.

If the average legal fee for an uncontested, no-fault divorce is approximately \$1,500, then approximately \$75,000,000 in legal fees have been drained from lawyers’ practices on a nationwide basis. A similar calculation could be made based on the thousands of wills, powers of attorney, living wills, health care powers of attorney, and living trusts being generated by non-lawyer web sites. These are not small amounts and the volume will continue to increase -- at the expense of the legal profession. These legal information sites will become more sophisticated and incorporate more rule-based, intelligent web applications that substitute for the judgment and the labor of an attorney. Because of their private corporate structure, these companies have access to more capital and superior management resources than the typical small law firm. While utilization of an “intelligent” legal form is not a substitute for the services of an attorney, for many consumers smart legal forms and supporting legal information content provide a “good enough result” which is proving to be satisfying to thousands of consumers.

Why Do Consumers Look for Alternatives to Lawyers?

Crafting marketing strategies for law firms that serve consumers and small businesses requires a deeper understanding of what consumers want and why consumers are seeking out these alternatives to lawyers.

Our research supports that consumers will avoid using a lawyer unless they really have to for the following, major reasons:

- Consumers cannot afford lawyers – they cannot afford \$125-\$150 per hour.
- Consumers do not trust lawyers as professionals to always represent their best interests, despite what the canons of ethics require.
- Lawyers are inconvenient and inefficient to use.
- Consumers dislike hourly rates.
- Consumers perceive lawyers as high risk in terms of outcomes vs. the cost/benefit.
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Rather than seek legal assistance, many consumers will search for a solution that is “good enough.” Consumers will sub-optimize and seek the assistance of an independent paralegal, for example, rather than the full services of an attorney in the interest of economy, even though it is a far from the perfect solution.

Very little accurate market research data exists on the opinions of U.S. consumers and their view of the legal profession. For good, in-depth research on this issue one has to turn to the United Kingdom. In that country, an organization called *Which?*, the largest consumer organization in Europe and the equivalent of our Consumer’s Union, has extensively studied consumers’ opinion of lawyers. Their most recent findings are that:

- 29% of consumers reported that legal services were poor value for their money.
- 23% said that their solicitor did not listen to their opinion.
- 30% did not feel well informed about charges.
- 40% said that despite being unhappy with the service, there was no point in complaining because the Law Society would not do anything any way.
- 63% think it would be a good idea to get legal services at supermarkets or retail banking institutions.

It is for these and other reasons that the United Kingdom is in the process of de-regulating the legal profession in the interest of promoting greater consumer choice and creating the framework for introducing modern methods of management, greater technology, and capital into the delivery of legal services. Sometime in 2009 these reforms will take effect. These reforms include:

- Independent regulation through a Legal Services Board that is not dominated by the legal profession;
- Independent complaints handled by a new Office for Legal Complaints;

- The authorization of alternative business structures which would permit non-lawyer entities to invest and develop law firms and create new legal service delivery structures;



“My reading of the political intent is that the reforms are meant to be cataclysmic – that they should bring about an upheaval in the structure of the market....

Co-operative Legal Services, Halifax Legal Solutions, the AA, DAS, and Capita, to name some of those who wish to participate in the emerging market for consumer legal services, will be impossible to beat at the current levels of scale and investment.... The legal services market will grow and prosper; the legal professions may not.”

- Abolition on the prohibition on splitting fees with non-law firms in order to encourage more innovative marketing arrangements; and narrowing of the prohibition against unauthorized practice of law that enables non-lawyers in many areas to provide legal advice and create legal documents for consumers.
- A Report on the coming revolution in legal services in Great Britain notes the potential for the entry of new brands to open up the opportunity of a latent market for legal services, encouraging “some people who are mistrustful of traditional solicitors to take advice on matters they have been putting off for a while – writing a Will for example”
- While Law firms retain certain competitive advantages such as local reputation and expertise, Stephen Mayson, Director of the Legal Services Policy Institute sees these evaporating in the face of market forces: The current competitive advantage of relationship and community provision may be lost over time to the scale standard pricing, efficiency and technology of new entrants...these forms of consolidation have already changed the retail world of corner shops, pharmacies and optometrists. Consumers might bemoan the loss of local facilities but they buy based on **convenience and price.**’ (Bold emphasis added

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It will be a long time, if ever, before these kinds of reforms will happen in the U.S., but it will be interesting to see what happens in the United Kingdom during the next few years as these reforms take hold. The U.S. legal profession can learn from the experiments that are being carried out in the U.K., and the impact of these experiments on consumer choices.

What Do Consumers Want?

Which? has also done extensive research on what consumers want from their lawyers. The dominant theme is better customer service. More particularly, consumers want:

- Information on what their case is going to cost;
- An idea of how long will their case take;
- Progress updates on their cases;
- Prompt response to letters and phone calls;
- Prompt responses to their complaint(s).

Which? also reports that consumers want legal advice and legal services to be delivered

- Online; by phone; and even by text;
- Out of hours - not just the traditional 9:00 to 5:00;
- Linked to related services, such as the purchase of a home; and
- Together with unbundled and DIY legal services.

These findings mirror some of our own market research in the U.S. Consumers of legal services in the U.K. are not much different from consumers in the US, so there is much to be learned from this research.

From the consumer's perspective, the system for delivering legal services needs to be re-designed to conform to their values by creating a new value proposition. A new value proposition could involve elimination of the need to go to the lawyer's office, increasing speed of the transaction, and offering services at a flat fee. It is a waste of marketing dollars to market legal services to consumers who don't want legal services in their present form. Marketing is more than just "selling" or getting the word out about your law firm; or publishing a web site that is a bit more than a Yellow Pages advertisement; or radio and TV commercials that make claims about what a great law firm you are. You can't sell a product or service to a consumer if they don't want to buy it. Marketing is more than "promotion."

We believe that fixing the system for the delivery of common legal services requires more radical surgery if the migration of consumers towards less valued alternatives is to be stopped. These include:

1. Increasing the transparency of the transaction between client and lawyer by moving away from hourly pricing towards fixed pricing and/or pricing by result. The lack of transparency in lawyer pricing creates tremendous anxiety on the part of consumers. A consumer can get a fixed price from a home builder to build a \$1,000,000 house (with allowances for unforeseen circumstances), but can't get a fixed price from a lawyer for a relatively simple divorce.

2. Increasing productivity of the legal transaction and passing the savings on to the client. Consumers suspect that lawyers are using information technology to increase their productivity by automating more routine legal tasks such as document production. They resent the fact that productivity enhancements are not passed along to the consumer in terms of lower prices. Without competition from other kinds of providers, the legal profession has no incentive to lower prices. Instead, legal fees tend to move up

over time. Full service stock brokers were impacted by online discount stock brokers in terms of price reductions. A competitive economic environment for legal services would have the same result.

3. Compounding the lack of transparency of lawyer-client transactions and the increasing level of fees is the inconvenience of communicating and working with a lawyer. While it is necessary to appear in a doctor's office for a physical examination, it is not necessary to be physically present in a lawyer's office in order for the law firm to do its work. Yet the prevailing mode of doing business requires that the client give up half a day of work or more and travel to a lawyer's office for advice at the lawyer's convenience, not the consumer's.

The pressures to change the patterns of delivery of legal services for consumers will increase dramatically in the next few years, as a "connected generation" comes of age.

Whatever trends are now in place will accelerate over the coming years as "the connected generation" comes of age and matures into the age where they need legal services. The "connected generation" includes those born since 1970. It is this generation that has grown up on the Internet and looks to the Internet first, before checking the Yellow Pages, reaching for a telephone, or consulting with a professional face-to-face.

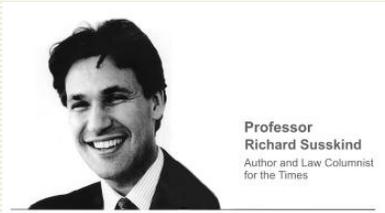
If the years 1970-1986 are used, as is common in market research, then the size of Generation Y in the U.S. is approximately 76 million. Coming right behind this generation is the **internet generation** which includes those born since the mid-to-late 1990s. The defining cultural-historical event to distinguish this cohort is that they spent their formative years in an age of the birth and rise of the Internet. Thus, the Internet Generation has no recourse to a memory of (or nostalgia for) a pre-Internet history, a factor which greatly differentiates them from older generations, who had to learn to adapt to 'new' technologies. The iGeneration simply takes the Internet for granted as 'natural,' with new sites that are launched past 1998 such as MySpace, YouTube, iFilm, and the ever-growing use of Internet Forums, Wikipedia and Google as part of its global cultural ecosystem.

Connected consumers value:

- Innovation – the better way;
- Immediacy - e.g., "I want it now!";
- Authentication and Trust;
- Interactivity defines the culture;
- High customization: services and products that fit unique needs.

Consumer behaviors emphasize:

- Looking to the Net as the first place to go for seeking information, alternatives, and options;



- Comparison Sites are a focus;
- Consumers want to try before they buy;
- Connected consumers look for communities of interest where opinions and information can be exchanged;
- Connected consumers look for digital spaces that are interactive;
- Connected consumers would rather interact with a web site before talking to a professional;
- Eventually, consultation with a professional may occur, but only after this digital exploration.

“Commoditisation and IT will shape and characterise 21st century legal service.....Most of the disruptive technologies that I identify — such as document assembly, personalised alerting, online dispute resolution, and open-sourcing — are phenomena of which most practicing lawyers are only dimly aware.... We will indeed witness the end of outdated legal practice and the end of outdated lawyers.”

[From The End of Lawyers? Rethinking the Nature of Legal Services by Richard Susskind \(2008\)](#)

“More specifically, the challenge I lay down is for all lawyers to introspect, and to ask themselves, with their hands on their hearts, what elements of their current workload could be undertaken differently – more quickly, cheaply, efficiently, or to a higher quality – using alternative methods of working.”

“In other words, the challenge for legal readers is to identify their distinctive skills and talents, the capabilities that they possess that cannot, crudely, be replaced by advanced systems, or less costly workers supported by technology or standard processes, or by law people armed with online self-help tools.”

The “connected generation” wants to do business over the Internet with attorneys. *The “connected generation” intuitively understands eLawyering concepts.*



Your future client



Marc Lauritsen, co-chair of the eLawyering Task Force of the Law Practice Management Section of the American Bar Association, in an article in Law Practice Magazine in January-February, 2004, p. 36, succinctly defined eLawyering as:

"[E- Lawyering is] all the ways in which lawyers can do their work using the Web and associated technologies. These include new ways to communicate and collaborate with clients, prospective clients and other lawyers, produce documents, settle disputes and manage legal knowledge. Think of a lawyering verb—interview, investigate, counsel, draft, advocate, analyze, negotiate, manage and so forth—and there are corresponding electronic tools and techniques."

What is eLawyering or Online Legal Services?

The idea of eLawyering or virtual lawyering, can be traced to the early days of the Internet when such early law firm web sites such as <http://www.visalaw.com> first appeared. In January 2000, William Paul, then president of the American Bar Association, created the ABA eLawyering Task Force. Thus, the idea of eLawyering was formally recognized as a way of delivering legal services. eLawyering will grow in importance in coming years, just as shopping online has experienced year-to-year growth. President Paul's vision was that lawyers would be able to use the power of the Internet to serve clients of moderate means who have been priced out of the legal market.

This is a good start to understanding the concept of eLawyering. In addition to this definition, I would add that eLawyering is an attitude about how to build a law firm business model which exploits web technologies for competitive advantage. The core of this business model is a law firm web site that incorporates interactive and web-enabled applications that supports interaction between lawyer and client along a number of dimensions.

How Do You Build an eLawyering Practice?

The first step in creating an eLawyering practice, is to build a "strategy map" which identifies who and where your existing and potential clients are and how you can serve them more effectively over the Internet. A highly localized and neighborhood-based practice serving lower income families may find that, in fact, the Internet is less relevant to its client base. On the other hand, a law firm that serves small business in a specialty area such as intellectual property, immigration, or employment law and is seeking to expand its practice from a single city to statewide will find the Internet very relevant indeed.

Time, pricing, the degree of required emotional handholding, convenience, unbundling, the degree of specialization that is required, and whether the transaction lends itself to self-help approaches, are all factors that need to be taken into account in creating a strategy map for the law firm that wishes to develop an eLawyering dimension to their practice.

In order to develop a competitive strategy, you have to think like a disrupter. If you closely analyze companies like

Southwest Airlines, the University of Phoenix, and Wal-Mart, their growth follows a common pattern. Each of these companies started with a solution that makes it easier, simpler and more affordable for customers to solve a critical problem in their lives. Each of these companies then identified a group of customers that typical suppliers in the industry considered insignificant and each of these companies adopted an approach that made it difficult for traditional suppliers to respond.

As Clayton M. Christenson points out, when Sony entered the consumer electronics market, it didn't compete with the leading tabletop radio providers by making better radios. Instead, it introduced a portable and inexpensive transistor radio that was designed for teenagers who wanted to listen to ball games or music without being supervised by parents. When Apple introduced the iPod, it didn't compete with the Sony Walkman. Instead, it created a unique platform so that this same demographic could carry around their music libraries in their pocket.

The lesson here is that non-clients of your law firm can become great clients if you figure how to reach them with an alternative offering that really meets their needs. Sometimes the best target customers or clients are those that lack the skills, wealth, success or time to consume existing products or services. Removing barriers to consumption can be a pathway to growth.

Once you figure out what kinds of clients you want and how you will serve them, you can translate the strategy into a web site development plan. This Plan will estimate investment costs, revenues, and the intangible benefits that result from the creation of a web-based legal service delivery system for that particular law firm that is a platform for interactive web-enabled applications.

Many law firms have what could be called "first generation" web sites that consist of little more than an expanded Yellow Pages advertisement. A much smaller number of law firms have "second generation" web sites that provide rich substantive content and legal information.

Finally, an even smaller number of law firms actually provide applications that help clients solve their legal problems over the Internet in a way that is both satisfying and price competitive. These include: IllinoisDivorce.com, NJChapter13.com, IowaLawyerOnLine.com, [EssentialLegal](http://EssentialLegal.com), and my own virtual law firm in Maryland, MDFamilyLawyer.com, to name a few. These are all examples of true eLawyering or virtual law firm web sites that offer legal solutions directly to middle-income consumers.

We would not consider a law firm that that has a first generation web site, as defined above, as one that is engaged in what we called virtual lawyering or eLawyering. These sites do not have any interactive applications and are little more than brochures in digital format. Often these sites exist within a larger law firm directory and the firm has no control or access to the web site itself in order to be able to add interactive applications. For these law firms, the Internet is no more than another media channel for communicating about the law firm's capabilities. They are not "interactive service" sites. For these firms, law practice is business as usual.

On the other hand, a law firm web site that is based on eLawyering concepts involves moving beyond a law firm web site that contains only legal content to one that helps clients collaborate with their lawyer and do legal tasks over the Internet. The impact of these web based, interactive applications is to save lawyer time, and often increase lawyer productivity and profit margins, while providing a more satisfying experience for the client.

The law firms that are moving into this next stage are what we call "web-enabled law firms" because of their commitment to using the power of the Internet to change the way they practice law by creating web sites that are highly interactive with their clients.

For these law firms, the web site becomes the primary way in which the law firm relates to its clients and manages the flow of legal work.

To accomplish this objective, a web-enabled law firm would consider using the following applications:

Client Extranets

A client extranet is a secure and private space for each client, where the client can communicate with his or her attorney securely, documents can be archived, the client can check the status of his case or matter, and legal fee billings can be presented and reviewed, if not actually paid electronically. A client extranet permits personalization of the client experience; security of communication; convenience of

What eLawyering is not!



Richard Granat, Co-Chair, [eLawyering Task Force, Law Practice Management Section, American Bar Association.](#)

"eLawyering is sometimes confused with the concept of a virtual law firm when a virtual law firm is defined as a law firm without a physical office or one that simply uses web-based practice management tools."

"Having a office in your home doesn't make you a virtual lawyer. Sometimes it means that your practice is so small that you can't afford a traditional office."

"A true "virtual lawyer" is the same as an "elawyer: in the sense that in both instances legal services are being delivered over the Internet through a secure web site directly to clients. A "virtual lawyer" incorporates "digital applications" in the delivery of legal services."

From [eLawyering Blog by Richard Granat](#)

having all of one's documents and transactions with the attorney document and in a private and secure web space. A client extranet can be costly to create if you program the entire application yourself. Few lawyers will possess this level of programming skill. A more practical alternative is to create a client extranet around applications that are hosted by third parties, such as Findlaw, Microsoft's Sharepoint, and WebEx Web Office, that are easy to set up and which reduce the cost of entry substantially, as no custom programming has to be done. DirectLaw is also a turnkey solution, known as a "Software as a Service", that creates a secure space where a client can access their personal My Legal Affairs page.

Web-Enabled Document Automation.

Within a secure extranet client space, clients can provide data through an online questionnaire which results in document assembly through the use of web-enabled document solutions such as [HotDocs Online](#), and [Rapidocs Online](#), enabling the client to provide the data directly into an online interview reduces the time that the attorney has to spend on the interview process and results in an instantaneous generation of a draft ready for a lawyer's more detailed review. Web-enabled document assembly enlists the client's effort in providing the data that is used to create a customized document without initial lawyer intervention. Traditionally, document automation has been used by lawyers within the office environment to speed up the production of documents of all kinds. Speeding up internal document assembly within the law firm is important, but does not have as dramatic a change in law firm work process as client-centered and web-enabled document automation. By moving the document automation process onto the Web and enabling the client to provide data online, a major increase in lawyer and client productivity occurs.



Productizing Legal Services: Earning Legal Fees While You Sleep

Productizing a legal service means systemizing the production of the service, rather than custom crafting the service every time you produce it. Often this means integrating a digital application with the production of the legal service. Unlike the legal form companies discussed above, a law firm still has to provide a human service, but the amount of this human service can be greatly reduced by using online software applications. By shifting a portion of the legal work to the client, attorney time is released for more complex matters or other pursuits. In many industries, the customer as a co-producer of a service or product has resulted in great leaps of productivity and efficiency. When a client enters their data into a web form, resulting in the instant creation of a first draft document ready for attorney review, there is a great saving in attorney time and effort.

Here is an example of productizing a legal service using web-enabled document automation tools.

Wes Cowell runs a virtual law firm in Illinois from the web address

<http://www.ilinoisdivorce.com>

The firm specializes in helping parties in family law represent themselves in routine divorce matters and offers legal forms bundled with legal advice for a fixed price. When a client enters their secure client space they have the option of completing an online questionnaire for a Marital Separation Agreement and a set of divorce pleadings. When the client is finished entering into their information and clicks on submit, all of the documents are instantly created as a first draft ready for the attorney to review. A paralegal reviews the documents and emails the client if there is a need for additional information. By the time the attorney gets the document for review they are 90% complete and ready for sign off. The selling price for a divorce package is \$185.00. On average, no more than 10 minutes is spent on each transaction. If it looks like there will be a conflict between the spouses, the attorney recommends that the client consider the full legal service. Thus the low end service is a feeder to the higher end service. Paralegals and the digital application do most of the work. The operating profit margin of the low end service, Cowell reports, is approximately 80%. One can apply the same principles to other areas of law practice.



Creating automated document templates that work on the web is not a trivial undertaking. All of the major document automation systems require some skills in knowing how to use a scripting language. If the firm has already automated documents that have been used on the desktop the task of importing these documents for use on the web is made much easier.

[DirectLaw, Inc.](#) currently maintains large inventories of state-specific, automated legal documents which can often be used with minor adjustments. These pre-defined document templates can be used to generate first drafts, which are then further customized by the attorney.

There are also other kinds of online digital applications that result in saving attorney time and serve to increase law firm productivity. Here are some examples:

Online Calculators

Online web interview forms can be used to collect financial data that is the basis for a calculation and offers the client an immediate, useful legal result.

An example of this kind of application is the child support calculator on the <http://www.mdfamilylawyer.com> web site and the Chapter 13 Eligibility calculator on the <http://www.njchapter13.com> web site.

Client Appointment Scheduling

Clients can make appointments to see their attorney directly through the web site using third party applications such as Microsoft's Appointment Scheduler. This reduces the amount of time spent playing telephone tag.

Client Data Intake

Clients can provide data through online forms that are the basis for an office consultation. Providing the data in advance enables the lawyer to fully prepare for the office consultation and often reduces the time required for the in-house consultation. <http://www.mdbankruptcylaw.com> is using an online form to collect client financial information prior to the first office interview in order to determine whether the client will have to file a Chapter 7 or a Chapter 13 under the new bankruptcy law. Although the forms themselves are not created, there is still a major saving in attorney time, and the attorney has all of the client's financial data at hand when the client walks through the door for their first meeting.

Interactive Legal Advisors

Some law firms are creating interactive legal advisors. Like online document assembly, the client answers questions through an online questionnaire, but instead of a legal document being created, the intelligence engine generates a legal answer by manipulating a series of "if-the" statements that offer a legal answer to the client immediately. While these interactive legal advisors are not easy to program, once they are completed, they can be used for a long time without major revision. Interactive legal advisors can be designed with a trap-door to alert the lawyer of potential problems that require more sophisticated analysis and direct legal advice. The U.S. Immigration Service has several such legal advisors on its site which make a determination, for example, of the immigrant's eligibility for U.S. citizenship. This is another example of an online publication that can be integrated into a legal service and results in saving attorney time. In some cases, attorneys have figured out how to monetize such applications by either charging a small fee or generating advertising revenues to offset development costs and make a profit. In these cases, the firm is functioning more like a legal forms company than a law firm, but with a properly designed "trap-door", the user is guided to the attorney when a complication arises.

The only way to get out from under the endless chore of keeping track of hours and billing clients in fifteen minute increments is to devise automated applications, such as using web-enabled document automation and web advisors, and then monetizing those applications by charging clients either on a subscription basis or a transaction basis – independent of the time factor involved to use the application itself. The price needs to be set at a level which reflects added value to the client, perhaps less than you would

charge on a hourly basis, but given sufficient volume levels, resulting in a net profit that is greater than you would secure than if you charged by the hour.

Online Legal Advice

Lawyers are providing legal advice by telephone and e-mail, publishing both the questions and the answers to a client's secure web space for future reference by the client. Often such legal advice is offered at a fixed price per incident. See for example: <http://www.nhvirtuallaw.com> and <http://www.dcdivorceonline.com> . This is a convenient service for clients who have relatively narrow questions and want a quick answer. Lawyers can answer these questions during times of the day when they are not busy, maximizing use of time that normally has marginal billing utility.

Online Case Management

Data about and within cases can also be made available over the Internet for clients to view and analyze. Information that clients see can be restricted to certain fields when they log in, at the same time keeping clients informed about the progress of their cases on a current basis. This will bond the client to the law firm in the same way that a consumer bonds with their online brokerage firm by using it on a regular basis.

Online Dispute Settlement

Video and Web Conferencing applications can also support forms of online dispute settlement and mediation. An online dispute settlement space can be set up easily by renting Microsoft Sharepoint Application and dedicating it to a particular case or controversy. The application contains within a single and secure web space discussion group functions, document uploading and archiving, calendaring, and e-mail notification, which provides all of the elements for asynchronous conversations.

New Media Developments

Communicating with the "connected generations" should not be limited to textual material. An "interactive law firm web site" utilizes the maximum advantage of the benefits of multimedia.

Educating clients about their legal situation today can be done using multimedia that engages the client or prospective client in ways that plain text cannot.

Some law firm web sites are integrating video and Podcasting into their web sites to complement the textual explanations. Web sites, blogs and podcasts offer unprecedented opportunities for reaching connected clients in unique ways. You need to determine what sets you apart, and convey your differentiated message consistently using the media of the online generation. That way, clients will be able to get to know you in an authentic and compelling way before they even set foot in your office.

Marketing Online Legal Services

Finally, you must market the features of your virtual law firm. Add information to your home page about your new web site's interactive capabilities and how clients can take advantage of this new functionality. Advertise your new capabilities as a way to set your firm apart and tell the story as to how your law firm does business differently by using the Internet to save clients time and money. These efforts will attract a clientele that prefers to do business over the Internet. Participate in online lawyer directories that will publish a link to your new web site.

The web is an interactive medium. What distinguishes a law practice based on eLawyering concepts is an interactive platform that involves clients in different ways with the actual legal work of the firm. Online interactivity with clients is the true marker for what constitutes eLawyering in the law firm of the future.

Figuring out how to incorporate these newer "interactive technologies" into law firm business models will be both a challenge and opportunity for law firms, particularly those that offer personal legal services to the broad middle class. Initial efforts are promising that the legal profession will rise to the challenge of offering legal services on the Web as law firms move toward experimenting with delivering legal services over the Internet.

Conclusion

The future belongs to law firms that learn how to use Internet technology to disrupt their competition by offering a client experience that is both low cost and of high quality. The Internet is changing the way legal services are delivered to moderate and middle income individuals and small business entities. Combining digital applications with traditional human service is a way to increase small law firm profit margins, without increasing the amount of time that the attorney spends on each transaction. For many attorneys, liberation from billing on a time basis, together with the capacity to practice law anytime and in any place, is like a dream come true.