

## **THE VIRTUAL LAWYER STAMPEDE**

By Sharon D. Nelson Esq. and John W. Simek

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Intriguing news from the ABA's 2010 *Legal Technology Survey Report*: 14% of lawyers reported that they ran a virtual law office, working with clients over the Net and rarely meeting them in person. We thought that statistic was fairly amazing.

Though the term virtual law office (VLO) has been around for a while, the definition has been morphing. In fact, as we went to research the definition, we found a wide range of definitions many of them at odds with one another.

After comparing what we found, we settled on a definition proffered by virtual lawyer Stephanie Kimbro, who says that a virtual law office is a professional law practice that exists online through a secure portal and is accessible to the client and the attorney anywhere the parties can access the Internet. A VLO provides attorneys and clients with the ability to securely discuss matters online, download and upload documents for review and to handle other business transactions in a secure digital environment. More recently, she has updated her definition to note that a VLO can be integrated into a traditional law practice to expand the firm's market – something we imagine will happen more and often.

The tendency of lawyers – and remember that ABA survey statistic – is to go where the clients are. Without any question, the clients are now online in droves.

If you do the math, you can certainly understand the appeal of the VLO. Subtract almost all the traditional overhead, add a tiny overhead for technology to enable the VLO and put that in the hopper with the increased revenues from working and marketing online and you've got a winning proposition. A VLO might be a perfect situation for a parent staying at home with young children or taking care of an elderly parent. The low overhead might allow a young lawyer to slowly nurture a practice without the financial risks of setting up a traditional law office.

The flexibility of a VLO appeals to many. We have a friend who runs a VLO from a log cabin overlooking the Blue Ridge. If work comes in, he deals with it via computer, leaving him a great deal of time to ramble in the forest or just gaze at nature's majesty. We're pretty sure our friend is smarter than we are in his working arrangements. VLOs can provide a terrific work-life balance solution.

On the downside, it is hard to nurture the old-fashioned sort of client relationship over the Internet. The online fast and relatively impersonal transaction is just not as conducive to creating a loyal and lifetime relationship with a client. Generally, you can't stroll down the hall to consult with a colleague – and while you can replace a portion of this online, the depth and character of the encounters are not quite the same.

That said, VLOs are very well suited for high volume, low customization work. As a friend of ours is fond of saying, a well-run VLO can make you money while you sleep.

The ABA has suggested that there are minimum requirements for delivering services online, notably ensuring client confidentiality. Is your data backed up? If you are using Software as a Service (SaaS), is your data stored locally as well as offsite? Is it encrypted in transport and in storage? Is it stored in a datacenter? If so, where? Are there any cross-border issues? What is the datacenter's physical security? Are there redundant power sources?

Have you read the Service Level Agreement (SLA?). Authors's note: Our experience is that the customary answer is "no." What happens if the provider bellies up? What if you want to leave with your data? What's the process and charge?

Additionally, the ABA reminds lawyers that they still need to do conflict checks, to have a disclaimer indicating where they are licensed to practice, to have a retainer agreement, to have website terms and conditions and to make sure, if they are accepting payments online, that they are mindful of PCI (Payment Card Industry) compliance.

So what tools are these lawyers using? Two we hear about frequently are Clio and Rocket Matter, which both provide web-based law practice management services. In addition, VLOTech is a very well regarded platform for VLOs. Their pricing varies with the size of the firm, but you need to contact them to get the prices.

Another contender is an online dashboard furnished by DirectLaw. Clients can purchase legal documents bundled with legal advice for a fixed fee. It has a lot of state-specific forms which generate first drafts for customization by attorneys. It offers file sharing, calendar function, e-invoicing and voice-recognition software. There's also a secure site for client communication, which avoids telephone tag. The monthly fees vary with what you want for services, but they are plainly spelled out on the website. Though we don't have current figures, more than 60 law firms were subscribed as of late 2009.

The transformation of the practice of law, long predicted by such visionaries as Richard Susskind, certainly seems to be taking place very quickly. Just a few years ago, we marveled at lawyers using what were then cutting edge services such as Legal Typist or Ruby Receptionist. While such services are still valuable, the modern VLO is to the early VLO as NASA's Space Shuttle is to the Mercury spacecraft. We expect the speed of the transformation to increase over the next decade, so fasten those seat belts and prepare for warp speed.

*The authors are the President and Vice President of Sensei Enterprises, Inc., a legal technology and computer forensics firm based in Fairfax, VA. 703-359-0700 (phone)*  
[www.senseient.com](http://www.senseient.com)