



# **Sole practitioners' and small firms' use of technology and innovation**

Research for the Solicitors Regulation  
Authority by Thinks Insight & Strategy

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# 1 Executive summary

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## 1.1 Background

The Solicitors Regulation Authority (SRA) is focused on supporting the use of technology and innovation that improves the delivery of legal services and access to justice. However, the adoption of new technology and innovation varies across the legal sector, with differences in how firms are adopting technology and innovating. This can be because of resources, concerns about costs, and uncertainty around the benefits that technology can bring. Small firms in particular experience challenges in procuring and integrating new technologies and innovations in their work. 'Small firms' are defined here as firms with four or fewer partners, and an annual turnover of £400,000 or below.

Debates around technology and innovation are coming into sharper focus following mass access to new technologies, especially with consideration to Artificial Intelligence (AI) and Generative-AI (Gen-AI). These technologies are transforming processes across a range of sectors, including legal services. There is a shift in how services are being delivered, as well as in customer expectations.

The SRA has a strategic priority to support innovation and technology that improves the delivery of legal services and access to them. An important part of delivering on this is supporting small firms to adopt appropriate technology solutions. Most law firms regulated by the SRA are small in size, and they are essential in providing the public with access to legal services, particularly those in local communities outside of English and Welsh cities.

[Previous research](#) commissioned by the SRA highlighted that firms face a range of challenges in adopting technologies and in innovating. In this context, the SRA commissioned research to better understand the unique challenges that small-sized firms face, and what can help small-sized firms overcome these challenges.

## 1.2 Methodology

We ran a mixed methodology study with four phases:

- Phase one: immerse – desk-based review of 27 sources and six online depth interviews with legal and technology sector experts
- Phase two: explore – one in-person and 13 online depth interviews with sole practitioners and small-sized firms, and eight online depth interviews with law tech providers
- Phase three: quantify – quantitative online survey of 138 sole practitioners and small firms
- Phase four: co-create – two-hour collaborative workshop with innovators and solicitors.

## 1.3 Awareness and usage of technology and innovation

### 1.3.1 Awareness of technology and innovation

Several themes emerged from the research, identifying attitudes and approaches to new technology and innovation, as well as the challenges which occur along the journey to adoption. These are summarised below.

Sole practitioners and small firms include a wide range of products and tools within their definition of technology and innovation. Those mentioned in interviews ranged all the way from new printers to Gen AI. Notably, understanding of innovation is intertwined with technology. Few provided examples of non-technology innovations without prompting.

Our desk review found, and our research findings reaffirmed, that technology can help to reduce the administrative burden on law firms. However, we also found that newer advancements are moving into the space of performing legal functions. Anecdotally, this research highlighted an underlying fear among some solicitors that technology could one day replace them.

Variable awareness of technology and innovation amongst participants appears to correlate with available time and resources to investigate the different technologies and innovations available. The research identified that limited time to explore technological developments, among a small team, presented a barrier to understanding, as well as the potential applications for the various products and tools that currently exist.

The survey results identified higher levels of awareness for established technologies, such as accounting software, case management software and electronic signatures (at 99% awareness each). There were lower levels of awareness overall of newer technologies, such as Gen-AI (86%) and legal chatbots (84%).

### 1.3.2 Usage of technology and innovation

Nearly all legal professionals surveyed use some form of technology or innovation, whilst half expect to introduce new technology in the next year. Over half of sole practitioners and small firms surveyed have adopted some form of technology or innovation in the last five years. This reflects the pace of adoption seen in wider research and confirms wider trends that suggest technology is having a considerable impact on the legal sector. The research identified some factors as correlating with greater uptake of technology in the last five years, such as working with client businesses, rather than individuals, or working in certain practice areas, such as Commercial and Intellectual Property (IP).

The small-sized firms surveyed are most likely using communications software, accounting software and cloud computing to support service delivery. Non-technological innovations are also taking place, such as the use of new marketing channels – although these tend to be online, via social media.

Adoption of some types of technology among sole practitioners and small firms appears to have experienced an uplift in the immediate wake of the Covid-19 pandemic. Previous research found that technology adoption following the Covid-19 pandemic transformed ways of working in the legal sector. For example, the ability to work online, access documents remotely and avoid the need to travel represented a considerable change for many in the legal sector.

Findings from the survey indicate adoption of certain technologies was at its highest in the wake of the COVID-19 pandemic. For example, more than half of users adopted communication software (59%), CRM and marketing tools (59%) and electronic signatures

(57%), 1-4 years ago. On the other hand, a majority of those who had adopted software for accounting (68%), case management (62%), payment processing (54%) and document management (52%) did so 5 or more years ago, before the pandemic. And a majority of those who have adopted Gen-AI (81%), legal chatbots (76%) and AI (60%), which are newer technologies have done so in the last 12 months.

The SRA's 2023 Risk Outlook report suggested sole practitioners and small firms may have a difference in appetite or additional barriers to adoption that large firms do not experience. It noted that while 60% of large firms were exploring the potential of using Gen-AI systems, just 30% of sole practitioners and small firms were. Wider literature indicates Gen-AI will become a key part of legal practice in the next 10 years and that firms that don't use this, could risk falling behind. This research affirms that AI is a newer trend for sole practitioners and small firms, reflected in moderate adoption rates (14%) and recency of adoption (60% in the last 12 months). There is some tension between the potential for AI to be transformative, and this audience's avoidance of adoption due to low awareness and risk aversion.

### **1.3.3 Enablers to adopting technology and innovation**

A desire to increase efficiency (61%) and improve client services (59%) are found to be key drivers to adopting technology and innovating. Increasing efficiency was highly valued by smaller-sized firms, who are juggling multiple aspects of running a business and delivering legal services. Technology can help to automate routine and administrative tasks, in addition to streamlining workflows. Some research participants stated that efficiencies created by technology and innovation are expected to reduce the cost of running the business, as well as freeing up legal professionals to spend more time on legal work – increasing the quality of services overall.

Better client engagement is also a benefit of technology adoption for small-sized firms and sole practitioners. In fact, one in ten indicated that increased consumer demand for online services has spurred adoption. Research identified in the evidence review recognises an important shift with consumer experiences and expectations. Rapid growth in technology has led many consumers to feel more confident using technology and increasingly expecting tech-enabled services, given it's the increasing norm for many consumers. As such, there is increased consumer demand for technology-enabled services, in addition to expectations for efficient, affordable, and transparent legal services.

Most participants recognised the importance of technology and innovation from the client perspective, with almost two thirds (64%) believing this will support improved access to justice. For this reason, some legal professionals felt it is their obligation to embrace technology and ensure they are offering the best solutions possible. This can help ensure greater access for those who may not be able to use face-to-face services, in addition to efficiencies which could allow legal professionals to spend more time on client-facing services. The use of technology is also thought to enhance confidence and trust among clients, particularly in relation to transparency around legal matters and processes. There is also a cost element to this with 82% agreeing that technology and innovation will help the sector provide better value to customers.

## **1.4 Adoption journeys and experiences**

The research explored the journey to adopting new technologies and innovations – this section of the report highlights the key journey stages and the challenges experienced by solicitors and small-sized firms at each stage.

Legal professionals described an adoption journey involving three stages. These were:

- research and decision-making
- integrating technology and innovation
- everyday use and evaluation.

#### **1.4.1 Research and decision-making**

Research and decision-making were described as the most challenging parts of the adoption journey. Small-sized firms and sole practitioners often have limited time and resources to research new technologies, an issue which can be exacerbated by a lack of options which cater to their needs – both perceived and in some cases real. For this reason, many rely on peers for recommendations and advice. There is an inherent trust in other solicitors with similar experience and knowledge. They also rely heavily on online research, seeking recommendations and views from parties other than the technology providers themselves.

Finding the right technology to meet needs was reported as difficult by 51% of respondents. Some described a ‘wild west’ of options to choose from, and at this stage of the journey our participants tended to feel ill-equipped to make decisions for fear of making a financial investment in something which turns out to be a poor fit for their needs. Some also have concerns about finding tools that are compliant with regulations – without providers explicitly providing assurance their products are compliant, some legal professionals aren’t always sure that the technology complies with regulations around data privacy and professional obligations, for example.

Experiences of introducing technology and innovation can vary considerably depending on the type of solution adopted. The research and decision-making process is more difficult to navigate when practical uses of technology, particularly AI and Gen-AI, are unclear or when too many options are available. This was commonly experienced when considering case management software.

#### **1.4.2 Integrating technology and innovation**

Upskilling and training staff was seen by most to be fairly easy (64%), with high levels of confidence in their own (62%) and their staff’s (60%) use of technology and innovation. However, there were also those who described challenges with getting their teams to integrate technology into how they do their jobs. Some found that team members can be resistant to changing how they do things, and others encountered reluctance in the business because the process of transferring from an old system to a new one can be slow and time-consuming. Some smaller firms felt that they lack the expertise to adopt new technology successfully, and don’t have the resources to take on staff to specifically support the implementation of technology.

There were also considerable challenges with new technology not integrating with existing systems, like email or accounting software, which can mean that the positive impact of new technology is diminished by ongoing inconvenience. Nonetheless, access to technical support from technology providers who can help to solve implementation problems helped to alleviate many issues.

#### **1.4.3 Everyday use and evaluation**

Legal professionals who get to the final stage of the adoption journey broadly felt confident, with most integrating a new technology or innovation successfully. There were relatively few



challenges they face in its day-to-day use, but there are still some concerns. It is likely that many of these challenges echo those faced by small businesses of various kinds outside of legal services.

The ongoing cost of services, particularly if it's a subscription-based model, can become unmanageable if fees increase over time. Some research participants recounted how a rise in costs had led to them ending contracts early and struggling to find alternative providers at short notice and with limited resources. Cost and return on investment were enduring concerns throughout the adoption process, with 42% finding evaluating the impact and use of technology difficult. It was difficult for firms to routinely check they are using the best value-for-money option on the market.

A minority of research participants also found that technology was not as useful as they had initially thought, or that they would need to pay for a higher level of service to get the more useful features out of the software. This sometimes resulted in legal professionals ending contracts and seeking alternatives, while also leaving a negative impression of the technology provider, who they felt was not clear about what was included.

Finally, firms that deal with individual consumers, find supporting clients with technology more difficult (49% reporting this is difficult) than those working with business clients (37%). Legal professionals who have a vulnerable or hard-to-reach client base said they find it difficult to support these clients with using technology. There is a support role they're playing which is outside of their normal role and can be challenging. There are also important implications for access to justice here because while technology can help to improve access for many, it can also potentially worsen access for the most vulnerable if there is not appropriate support in place.

## 1.5 Barriers when adopting technology and innovation

In line with previous research, the key barriers to adopting technology and innovating are cost, concerns around data and compliance risks, and perceptions of poor quality or unreliable technology. Only 4% feel there are no barriers present. Anecdotally, we found that some of these barriers have led to some firms abandoning the use of some technology in recent years.

Small firms perceive themselves as more price sensitive and risk averse than larger firms, whom they perceive as having more resources and in-house expertise. As small businesses, investing in technology and innovation is an important decision and can have a large impact on their budget, particularly if small-sized firms are operating within tight margins.

Compliance concerns largely relate to data security and ensuring that any new technology is secure enough to remain compliant. 72% of those surveyed report concerns about investing in technology that quickly becomes outdated or non-compliant.

Barriers to adoption can differ depending on the type of technology. A key barrier for established technology, such as cloud computing, was cost. Newer technology such as Gen-AI, was met with a wider range of concerns, including perceived risks of data breaches, a lack of clarity on the functionality and usefulness of the technology and whether such tools will offer a return on investment. This reflected a more cautious attitude towards technology that is perceived as riskier resulting in a preference to use tried and tested solutions. This suggested that smaller-sized firms may lag behind other law firms and businesses in the adoption of newer technologies, and highlights a need for more clarity on how newer technologies, such as Gen-AI are, and will remain compliant with wider regulations.

Beyond the barriers described above, a low level of knowledge and risk aversion can lead to attitudinal barriers that prevent innovation from taking off. Partners can be divided in their attitudes towards technology and the cost/benefit, which can result in no investment in the context of a small firm where the views of individuals have a lot of influence. There is also an underlying narrative that technology may 'take over' jobs. Whilst most agree fears are unfounded, this does entrench negative attitudes among some.

## 1.6 Challenges from the technology providers' perspective

To ensure that we gained a holistic understanding of the opportunities, and challenges, that exist in how small-sized firms adopt and use technology, we also engaged with technology providers as part of this research. Technology providers described some challenges in the way that law firms approach the adoption of technology. They found firms reluctant to be the first to try a new product or tool – they were apprehensive about some innovations, and some providers felt that law firms often were not forward-looking. They note a desire to learn from the experiences of other law firms that a new technology is fit-for-purpose, which can make it challenging to find first-adopters.

Mirroring concerns that firms have, technology providers noted that firms have a variety of existing technology systems in place for functions like case management, which can mean that they need to spend a lot of time tailoring their description of their products for each firm to properly demonstrate their advantages. This means that it can be easier for providers whose products do not replace or need to integrate with existing systems. This represents a conflict between what legal professionals want – technology which integrates easily with their existing systems – and what technology providers want – to sell standalone products which need minimal or no integration.

While many of the barriers to engagement identified are thought to be typical of Small and Medium Enterprises (SMEs) in other sectors, technology providers who participated in the research noted a heightened level of risk aversion amongst legal professionals. Product demonstrations are thought to be helpful to ease concerns, but providers sometimes find it challenging to even get to this stage in the first instance. Some providers also lacked case studies of similar-sized firms that have used their products successfully, which they acknowledge would help to provide reassurance on the utility and value of their products.

## 1.7 Supporting small firms to adopt technology and innovate

As part of the research, participants identified what support could help to address the barriers that sole practitioners and small firms face. Some of the support identified may be for regulators, including the SRA, to address, while other is likely best addressed by the combined efforts of professional bodies, technology providers, and other organisations across the legal sector.

### 1.7.1 Supporting research and decision-making

To support the challenges faced during the research and decision-making stage, legal professionals suggested that more impartial information could be provided by trusted sources, such as the SRA. Suggestions included information on how law firms can remain compliant with data protection regulations, which 36% suggested would enable them to adopt new technology. More broadly, there was a desire for more general support from regulators to use technology (29% of those surveyed).

In line with the finding that peer recommendations are an important source of information for legal professionals, some participants suggested that case studies and illustrative examples of how similar law firms have successfully integrated new technology would be helpful (28% of those surveyed).

General advice in the form of a checklist of factors legal professionals should consider before adopting technology was considered valuable, as would sign-posting to, and information on, any sources of available funding to help firms adopt technology. Roughly a third (30%) indicated they would need external funding to enable future adoption. Legal professionals are also aware that the SRA already offers webinars, and suggested that these focus on technology benefits and practical applications – particularly for newer innovations.

Legal professionals also expressed a desire for impartial recommendations for tools and products, and from someone with both impartiality and the expertise to judge the quality of new technology – something akin to a list of recommended providers. They want to be able to compare different solutions based on their needs, and some suggested that a marketplace-type environment targeted at small firms and that allows firms to compare different solutions would be helpful. They recognised this might not be the role of the SRA. They would also like more opportunities and spaces to network with other firms, particularly those of a similar size and working in similar practice areas, and so that they can share and discuss experiences of different technologies.

Finally, there were suggestions of how technology providers could better support sole practitioners and small firms. Some felt that there should be clearer expectations set for how technology providers effectively communicate with sole practitioners and small firms, reflecting the unique challenges that small firms face. Research participants felt that they would benefit from technology providers presenting information in a way which is simple and clear to enable quick, easy decision-making. They would also hope technology providers would be able to offer pricing structures and package offerings which reflect the needs of small firms and the scale of their budgets. A fifth (21%) of sole practitioners and small firms wanted greater transparency of pricing models to support future adoption.

### **1.7.2 Integrating technology**

This journey stage had fewer barriers, mainly focused on helping firms to upskill in a way that is simple and compliant. Legal professionals believe they would benefit from guidance from the SRA on what to keep in mind when adopting new technology to ensure compliance with professional obligations and other regulators' standards. There was also a desire for information on and signposting to training provided by organisations on the adoption of technology. Sole practitioners and small firms (24%) reported they would need access to training to support future adoption.

In terms of what small-sized firms would like from technology providers, a third (33%) expressed a desire for product demonstrations and trial periods. Preferably, this would be available to multiple team members to ensure they can effectively assess the costs and benefits of new technology in their daily work. This would support buy-in and much needed reassurances ahead of significant investment.

### **1.7.3 Everyday use**

This journey stage had few barriers and these were perceived to be easily addressed. Research participants noted that they would value reassurance that regulation would not change in a way that makes technology they have invested in obsolete.

Some firms noted struggling to support their clients with using client-facing technology, therefore support from technology providers on onboarding and technical support would be helpful. While this research highlights the benefits that technology can deliver in enhancing access to legal services, there is value in exploring in more detail the interface between access to justice and technology, including exploring the best strategies to ensure that vulnerable consumers are supported to access services.

#### **1.7.4 Next steps**

This research highlights that there is more that can be done to support small-sized firms to adopt new technology and innovation. In exploring the needs of these firms, the research identified a range of actors that offer support and in particular an opportunity for bodies, such as regulators within legal services, professional bodies, and other organisations in the sector, to work together. The research also highlights some potential actions for technology providers themselves.

The research points to areas that could be explored further, in particular around access to justice and ensuring that the needs of vulnerable consumers are adequately catered to as technologies evolve. Additionally, further exploration around the use of Gen-AI tools may also be valuable – for instance to understand how this is currently shifting the way in which legal professionals are delivering their services and the extent to which this is being driven by or is in response to shifting consumer expectations more generally.

## 2 Research objectives

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### 2.1 Objectives

Our project objectives were agreed at the inception of the project, and were to:

- explore levels of awareness and usage of technology and innovation amongst sole practitioners and small firms
- investigate adoption journeys and experiences, including identification of appropriate technologies, enablers and barriers
- explore the challenges sole practitioners and small firms face when adopting technology and innovation
- identify examples and case studies to exemplify these journeys and experiences
- identify barriers technology providers face in reaching the legal market, particularly sole practitioners and small firms
- identify what support sole practitioners and small firms need to overcome challenges faced.

### 2.2 Definitions used in the research report

This research explores innovation and technology which is used to support legal providers in the delivery of legal services to improve the efficiency, effectiveness and accessibility of legal services. The following definitions were used as part of this research:

- **Technology:** Legal technology refers to technologies that aim to support, supplement, or replace traditional methods for delivering legal services, such as document review tools, chatbots and Artificial Intelligence (AI).
- **Innovation:** Innovation refers to significantly improving existing services or introducing new ones (product innovation), enhancing the delivery of services (delivery innovation), or improving how services are marketed (marketing innovation). Importantly, not all innovations require investment in new legal technology, although some do.

These definitions were developed with the SRA based on the evidence review and existing working definitions in wider research.

Our evidence review found that there is no clear, single definition of innovation in legal services. There are multiple definitions of innovation within technology in legal services, sometimes referred to as 'lawtech' or 'legaltech'. Broadly, it refers to the use of technology to improve the efficiency, effectiveness and accessibility of legal services, in ways both solicitor-facing and consumer-facing.

Our interviews with legal and technology sector experts support this, reflecting that what is considered 'technology and innovation' can vary widely from one small firm to the next – and this is something that is constantly evolving.

Other definitions which are used in this report include:

**Artificial Intelligence (AI):** technologies with the ability to perform tasks that would otherwise require human intelligence.

**Gen-AI:** a sub-set of AI that uses generative models that can create high-quality text, images, and other content based on the data they were trained on.

**Small-sized firm:** a sole practitioner, or a firm with no more than four partners, members or directors, and an annual turnover of £400,000 or below.

**Software, solution or tool:** referring to the technology product or service used by legal professionals or firms who took part in the research.

## 3 Methodology

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### 3.1 Overview of approach

We took a multi-phase approach to ensure we had a thorough grounding in existing knowledge before exploring with legal professionals and technology providers and quantifying our findings. The research was conducted between October 2024 and January 2025. Efforts to recruit sole practitioners and small firms to take part in the research included sample building, promotion of the research in SRA Update and c. 4,000 direct email invites.

#### Phase 1 - Immerse

1. A desk-based evidence review of 27 sources to gain an overview of existing research into technology and innovation adoption in the legal sector, to understand what technology is currently available and what barriers have already been identified to firms adopting it.
2. Six online in-depth interviews with experts in the legal and technology sectors to understand the state of the lawtech sector and other adjacent sectors, including current trends, concerns and predictions for the future. The legal and technology sector experts were identified by the Solicitors Regulation Authority. This included individuals who were legal professionals, consultants and senior lecturers.

#### Phase 2 – Explore

3. Thirteen online depth interviews and one in-person depth interview with sole practitioners and legal professionals from small firms, representing a range of experience in adopting innovation and technology. The objective of these was to understand their experiences of researching and adopting new technology and innovation and the barriers they have experienced or overcome. We used these interviews to map the journey from research to ongoing use of new technology and innovation, and identify what barriers exist at each stage.
4. Eight online depth interviews with law tech providers, to understand from their perspective the experience of engaging with legal services and the barriers to success.

#### Phase 3 – Quantify

5. A quantitative survey of 138 sole practitioners and small firms – achieving a 3% response rate. Fieldwork took place between 4 December 2025 and 17 January 2025. This phase explored how technology and innovation are being used by solicitors and identify which barriers are the most significant among solicitors at each journey stage.

#### Phase 4 – Co-create

6. A two-hour collaborative workshop bringing together:
  - four sole practitioners and legal professionals from small firms
  - two law technology providers
  - two representatives from the SRA.

Full details of the research methodology can be found in the Appendix (section 10.1).

## 4 Awareness and use of technology and innovation

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### 4.1 Awareness levels

Sole practitioners and small firms include a wide range of products and tools within their definition of technology and innovation. Those mentioned in interviews ranged all the way from new printers to Gen-AI. Notably, understanding of innovation is intertwined with technology. Few provided examples of non-technology innovations without prompting.

Variable awareness amongst participants appeared to correlate with available time and resource to investigate innovation. The research identified that limited resources among sole practitioners and small firms to explore technological developments presented a barrier to understanding available options as well as practical applications (i.e. use cases). This is considered a unique barrier for smaller-sized firms, who are less likely to have in-house expertise or capability to support discovery, compared to larger firms. This barrier is explored further in section 6.1.5.

Low awareness of technology and innovation opportunities are recognised by technology providers, particularly in relation to AI and Gen-AI. Providers note that firms are largely aware that this technology is available and felt that they should be exploring AI opportunities, but often without a specific application or use-case in mind (see section 4.3.3 for more details).

Benefits of other types of technology are thought to be understood more easily by legal professionals, with use cases being clearer. This includes using e-signatures, carrying out Anti Money Laundering (AML) checks and identity verification.

Awareness of legal technologies was explored in the online survey (see table 1). Results indicate higher levels of awareness of established technologies, such as accounting software, case management software and electronic signatures (at 99% awareness for each). Newer technologies, such as Gen-AI and legal chatbots hold lower levels of awareness overall.



**Table 1. Awareness of legal technologies**

	Aware	Not aware	Don't know
<b>Electronic signatures</b>	99%	1%	1%
<b>Case management software</b>	99%	0%	1%
<b>Accounting software</b>	99%	1%	0%
<b>Cloud computing</b>	97%	1%	2%
<b>Communication software</b>	97%	2%	1%
<b>AI automation</b>	94%	4%	2%
<b>Document management software</b>	94%	4%	1%
<b>Online payment processing software</b>	93%	5%	2%
<b>Client portals</b>	92%	6%	2%
<b>Gen-AI</b>	86%	12%	4%
<b>Legal chatbots</b>	84%	12%	3%
<b>CRM and marketing tools</b>	84%	12%	3%

Data derived from Q12. Which of the following legal technologies are you aware of and/or currently using at your firm? Base: All respondents (n=138).

## 4.2 Usage of technology and innovation

A large majority (95%) of those who took part in the online survey were using at least one form of technology or innovation tested in the research. Communication software and accounting software were the most used technologies among those surveyed (see table 2). AI automation, Gen-AI and legal chatbots were the least used.

**Table 2. Legal technologies usage and awareness**

	Using	Considering	Not considering	Not aware	Don't know
<b>Communication software</b>	78%	10%	9%	2%	1%
<b>Accounting software</b>	67%	7%	25%	1%	0%
<b>Cloud computing</b>	60%	17%	20%	1%	2%
<b>Case management software</b>	57%	12%	30%	0%	1%
<b>Electronic signatures</b>	51%	18%	30%	1%	1%
<b>Document management software</b>	43%	22%	29%	4%	1%
<b>Client portals</b>	22%	23%	47%	6%	2%
<b>Online payment processing software</b>	19%	20%	54%	5%	2%
<b>CRM and marketing tools</b>	17%	18%	49%	12%	3%
<b>AI automation</b>	14%	22%	58%	4%	2%
<b>Legal chatbots</b>	12%	22%	50%	12%	3%
<b>Gen-AI</b>	12%	25%	49%	12%	4%

Data derived from Q12. Which of the following legal technologies are you aware of and/or currently using at your firm? Base: All respondents (n=138).

Despite understanding of the term ‘innovation’ being heavily intertwined with technology, there are examples of non-technological innovations (see table 3). This includes marketing innovations, such as use of new marketing channels (21%) and identifying new client bases (18%); product innovation, such as streamlining workflows (15%) and offering alternative fee arrangements (13%); and delivery innovation, such as offering services in different locations (7%).

**Table 3. Use of non-tech innovations introduced in the last 5 years**

	% choosing each option
<b>Use of new marketing channels</b>	21%
<b>Identifying a new client base</b>	18%
<b>Streamlined or changed in-house workflows</b>	15%
<b>Offering alternative fee arrangements</b>	13%
<b>Offering services in different locations</b>	7%
<b>Offering alternative dispute resolutions</b>	7%
<b>Interdisciplinary / cross-industry collaboration</b>	4%
<b>Don't know/None of the above</b>	52%

Data derived from Q11. Which of the following non-tech innovations has your firm introduced in the last 5 years? Please select all that apply. Base: All respondents (n=138).

## 4.3 Adoption trends

### 4.3.1 Recent adoption

A majority of sole practitioners and small firms surveyed have adopted a technology or innovation in the last five years (see table 4), which reflects the pace of adoption seen in wider research.

Despite 16% of respondents indicating that they haven't adopted new technology or innovations in the last five years and are not considering doing so, nearly all of this group are using some form of technology already – including two thirds who are using communication software. Nonetheless, this group indicated lower levels of confidence with technology. Over half (57%) reported that they are personally unconfident with using technology, which may reflect a barrier to future adoption. This is explored in more detail in section 5.2.2.1.

**Table 4. Technology or innovation introduction in the last 5 years**

	% choosing each option
<b>Yes</b>	55%
<b>No – but considering it</b>	25%
<b>No – and not considering it</b>	16%
<b>No – but we had previously and are no longer using the technology or innovation</b>	4%
<b>Don't know</b>	1%

Data derived from Q9. Has your firm introduced any technology or innovations to support you in your delivery of legal services in the last 5 years? Base: All respondents (n=138).

Some factors correlate with adoption in the last five years, which may reflect trends among those most likely to adopt:

#### **Practice areas**

While base sizes are small, some practice areas were more likely to report adoption in the last five years. This includes Commercial and Intellectual Property (IP) (71%, n=20); Wills, Trusts, Planning, Estates and Probate (65%, n=24); Disputes and Litigation (65%, n=22); and Finance (70%, n=7).

#### **Client types**

Those working with businesses are more likely to report adoption in the past five years (70%, n=23), compared to those working with individual consumers (52%, n=51).

#### **Size of firm**

While the same proportion of sole practitioners and small firms reported adoption of technology and innovation in the last five years (56%), this proportion appeared to increase as the number of partners increased (83% of firms with 3-4 partners, n=4).

### **4.3.2 Post-pandemic trends**

In line with findings from the evidence review, there appears to have been an increase in the adoption of some technologies by sole practitioners and small firms in the immediate wake of the COVID-19 pandemic. Wider literature (see section 10.3.2) highlights how the COVID-19 pandemic prompted technology adoption and transformed ways of working in the legal sector. For example, the ability to work remotely, access documents online and avoid the need to travel represented a considerable change.

Findings from the survey (see table 5) indicate adoption of certain technologies was at its highest in the wake of the COVID-19 pandemic. For example, more than half of users adopted communication software (59%), CRM and marketing tools (59%) and electronic signatures (57%), 1-4 years ago. On the other hand, a majority of those who had adopted software for accounting (68%), case management (62%), payment processing (54%) and document management (52%) did so 5 or more years ago, before the pandemic. And a majority of those who have adopted Gen-AI (81%), legal chatbots (76%) and AI (60%), which are newer technologies have done so in the last 12 months.

**Table 5. Legal technologies usage**

	12 months	1-4 years	5+ years
<b>Accounting software</b>	8%	22%	68%
<b>Case management software</b>	13%	24%	62%
<b>Payment processing software</b>	4%	35%	54%
<b>Document management software</b>	12%	28%	52%
<b>Cloud computing</b>	11%	41%	46%
<b>Client portals</b>	13%	40%	43%
<b>Communication software</b>	12%	59%	26%
<b>Electronic signatures</b>	17%	57%	23%
<b>CRM and marketing tools</b>	13%	59%	21%
<b>AI</b>	60%	30%	0%
<b>Legal chatbots</b>	76%	6%	0%
<b>Gen-AI</b>	81%	19%	0%

Data derived from Q13. When did your firm introduce this technology? Base: CRM and marketing tools (n=24), Document management software (n=60), Case management software (n=78), Communication software (n=107), Client portals (n=30), Gen-AI (n=16), Legal chatbots (n=17), AI (n=20), Electronic signatures (n=70), Cloud computing (n=83), Accounting software (n=93), Payment processing software (n=26).

### 4.3.3 Adoption of AI technologies

Despite AI being considered transformational by experts (see section 10.3.1), widespread adoption is not yet common in the legal sector. Only one in ten are currently using AI (14%) and Gen-AI (12%), and over three quarters who have adopted this technology have done so in the past year. AI, and in particular Gen-AI, may present a transformational shift in legal services as more firms look to adopt this technology. Certainly, AI experts believe this technology will become a key part of legal practice in the next ten years and that firms who don't use this could risk falling behind.

**‘There is a great phrase, ‘AI won’t replace lawyers, lawyers who use AI will replace those who don’t.’**

**– Legal and Technology Sector Expert**

Many technology providers are incorporating AI automation into existing offers, such as case management tools, which may help to streamline adoption. Nonetheless, it is notable that half of sole practitioners and small firms surveyed are not considering using it in the future (58% AI automation and 49% Gen-AI). These rates align with prior research ([Legal Services Board, 2023](#)), which notes the slower pace of adoption amongst small-sized firms.

Two key barriers to adoption of AI were identified in the research. Firstly, sole practitioners and small firms lack understanding of AI use cases (i.e. how AI might be practically used). They recognise it *could* be used but are unsure *how*. Secondly, sole practitioners and small

firms are concerned about the risks of using AI and whether this technology would be compliant with regulations, particularly data protection regulations.

Findings from the evidence review acknowledge that this technology is not without risks, including issues with accuracy, transparency, bias and data privacy. A tendency towards risk aversion amongst legal professionals means this audience are particularly cautious of leading the charge with new innovations and prefer to invest in tried and tested solutions.

***‘I think there probably will come a time when [AI] is good enough to be really helpful. But I think at the moment I'm naturally quite wary about it and have general concerns for how it might affect the profession as a whole.’***

**– Legal Professional**

As such, more support would help smaller-sized firms understand how AI can be used and the benefits of doing so, in addition to offering more practical information on how to manage potential risks. This is explored in more detail in section 7.2.1.

## 4.4 Future adoption of technology and innovation

Small firms and sole practitioners are willing to innovate. Nearly half of sole practitioners (47%) and over half of small firms (54%) report that they are likely to adopt new technology or innovation in the next year (see table 6). Furthermore, 91% agree it's important that their practice keeps pace with innovation and technological changes.

**Table 6. Likelihood of introducing new technology or innovations in the next 12 months**

	Likely	Neither likely nor unlikely / Don't know	Unlikely
<b>Sole practitioners</b>	47%	25%	28%
<b>Small firms</b>	54%	19%	27%

Data derived from Q24. How likely, if at all, are you to introduce new technology or innovations in your practice within the next 12 months? Base: All respondents (n=138). The percentages refer to all those who selected 'within the last 3 months', '3-6 months ago', or '7-12 months ago'.

Those surveyed were asked which technologies they would find most useful to adopt in the future (see table 7). Client portals, and AI automation or Gen-AI are considered the most valuable among those not currently using this technology, although one in ten are unsure. This may reflect low knowledge of use cases and benefits.

Two-thirds (64%) of those that selected 'none of the above' reported they are unlikely to introduce any technology or innovation in the next year, and 63% of this group disagreed that it's important to keep pace with technology and innovation changes. However, over half (58%) of this group have adopted some form of technology or innovation in the past five years. This may indicate there is no *additional* adoption they'd find useful.

**Table 7. Most useful technology or innovation to adopt**

	% choosing each option
<b>AI automation or Gen-AI</b>	20%
<b>Client portals</b>	20%
<b>Legal chatbots</b>	15%
<b>Document management and production or e-signatures</b>	13%
<b>CRM or marketing innovations</b>	11%
<b>Case management or workflow changes</b>	9%
<b>Cloud computing</b>	8%
<b>Payment processing, accounting software or alt fee arrangements</b>	5%
<b>Other</b>	4%
<b>Communication software</b>	2%
<b>Don't know</b>	11%
<b>None of the above</b>	27%

Data derived from Q26. Which of the following would be the most useful for your firm to adopt? Base: All respondents (n=131). Those who answered, none of the above' (n=36).

## 5 Adoption journeys and experiences

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### 5.1 Drivers to adoption

In line with wider research, a desire to increase efficiency (61%) and improve client services (59%) are key drivers to adopting technology and innovation (see table 8). Increasing efficiency was particularly highly valued by smaller-sized firms, who are juggling multiple aspects of the business.

**Table 8. Drivers to adopting technology and innovation**

	% choosing each option
<b>Desire to increase efficiency</b>	61%
<b>Improved client services</b>	59%
<b>Desire to increase productivity</b>	38%
<b>Better ability to identify and manage associated risks</b>	20%
<b>Increased confidence in using technology</b>	18%
<b>Motivation to remain competitive in the legal market</b>	15%
<b>Regulatory support and/or guidance</b>	15%
<b>Increased consumer demand for online services</b>	11%
<b>Other</b>	3%
<b>Available funding e.g. from the Government</b>	2%
<b>Don't know</b>	2%
<b>None of the above</b>	5%

Data derived from Q16. Which of the following motivated you to start using new technology and innovations in your firm? Base: All respondents (n=131).

As part of the research, efficiencies were discussed in relation to getting repetitive or manual tasks, administrative tasks, or tasks involving large amounts of data done more quickly than they would be by a person. This helps small firms and sole practitioners remain cost-competitive and juggle other crucial aspects of running a business, as well as being able to focus on tasks where legal expertise is required.

Some research participants stated that efficiencies created by technology and innovation adoption is expected to reduce the cost of running the business over time, as well as freeing up legal professionals to spend more time on legal work – thereby increasing the quality of services.

In relation to quality assurance, legal professionals recognised that technology could help eliminate human error in repetitive tasks like data capture. Risks related to data security are also felt to be managed more easily with technology.

A significant minority (38%) were motivated to adopt tools which mean they can run the business without needing more employees, for example by using accounting software rather than having a finance team. This allows them to increase productivity elsewhere, which is particularly important for sole practitioners.

**‘We are looking at bringing in some other pieces of technology that will help us and may be able to automate processes and will link with each other a lot better.’**

- **Legal Professional**

Previous literature acknowledges that client expectations have fueled technology uptake (see section 10.3.2). Benefits for clients are recognised, with outcomes including increased trust and access to justice. Nonetheless, as found in wider research, (Legal Service Board, 2023), legal professionals are likely to underestimate consumer’s appetite for technology in legal services, therefore this is less likely to be a key driver to adoption in the first instance – with only one in ten citing this as a motivator.

Drivers varied for different types of technology, reflecting the differing use cases and challenges that types of technology solve. ‘Improved client services’ was a key motivation for those who had adopted client portals, client chatbots, and CRM and marketing tools. Those who had adopted AI or Gen-AI were most motivated by increased productivity.

### 5.1.1 Benefits of technology adoption

When asked about the impact that technology and innovation have had on their practice, benefits related to improvements to internal efficiencies are recognised, but better client engagement is also a key outcome for small-sized firms and sole practitioners (see table 9).

**Table 9. Main benefits of technology and innovation**

	% choosing each option
<b>Increased efficiency</b>	64%
<b>Reduced administrative work</b>	46%
<b>Increased productivity</b>	40%
<b>Better engagement with clients</b>	29%
<b>Improved data security</b>	24%
<b>Increased profitability for the firm</b>	18%
<b>Increased transparency for client</b>	15%
<b>Reduced costs for clients</b>	13%
<b>Increased demand of services</b>	6%
<b>Other</b>	5%
<b>Don’t know</b>	5%

Data derived from Q22. What have been the main benefits of the technology and/or innovation you use in your firm? Base: All respondents (n=138).

Reduced administrative work is likely to be considered a benefit for those using client portals or who have introduced new case management or workflow technology and innovations.

Despite increased efficiencies (64%) and productivity (40%) being strongly recognised benefits, increased profitability is less likely to be recognised (18%).



### 5.1.2 Access to justice

Most participants recognised the importance of technology and innovation from the client perspective, with almost two thirds (64%) believing this will support access to justice. In fact, one in ten indicated that increased consumer demand has spurred technology adoption. There was recognised demand for quick and cost-effective services, which technology is thought to support, so adoption is driven in part by awareness of consumer needs. The research highlighted that adoption of technology is benefitting clients, with 29% recognising increased client engagement as a benefit.

Reflecting wider research (see section 10.3.2), legal professionals acknowledged a technological shift, whereby many consumers were now comfortable using technology, such as virtual communication and electronic signatures. Some legal professionals felt it was their obligation to embrace technology and ensure they are offering the best service possible. This can ensure greater access for those who may not be able to use face-to-face services, in addition to allowing legal professionals to spend more time communicating with clients or to tackle cases at greater speed.

Use of technology could also enhance clients' confidence and trust in legal services, particularly in relation to transparency around data security and sharing of sensitive information with solicitors and law firms.

***[The existence/visibility of a client management portal] gives clients security knowing there is a system in place [...] It just has an element of 'Oh, this is a proper firm who aren't just going to say just email that to me'.***

- **Legal Professional**

There is also a cost element to this, with 82% agreeing that technology and innovation will help the sector provide better value to clients. The Legal Services Board ([2022](#)) found that 49% of firms believe technology can reduce the cost of delivering legal services. In practice, one in ten indicated reduced costs for clients as a benefit of technology and innovation. While this is not a high proportion, it is a positive outcome with consideration to access to justice, and a benefit that the SRA should highlight to firms.

### 5.1.3 Case study – drivers to adoption

The following case study example is a fictional composite of real experiences and insights heard from legal professionals during the research. Details have been changed to protect participant anonymity.

Veronica has worked at various law firms over the last 20 years, but she set up her own small firm several years ago.

#### **The case for change – matching client expectations**

When setting up her firm, Veronica's mission was to create a future-proof way of delivering legal services. From her experience working in other firms, she was aware of client expectations and the need to keep pace with change. Because of this, technology was an integral part of her business plan: 'I've seen technology evolve and we're really passionate in our business about aligning the client journey with legal services and technology.'

### **What worked well – future-proofing the business**

When the Covid-19 pandemic hit the UK, Veronica's firm had only been running for a couple of months. However, its use of technology from the get-go meant that the pandemic had limited impact on the business. Their cloud-based case management system meant they could carry on their work remotely, and they continued to communicate with clients virtually. 'I think Covid was absolutely pivotal in the success of our business versus some of our competitors and it further cemented our commitment to embracing technology,' comments Veronica.

### **The challenge – keeping up with technology over time**

Looking ahead, Veronica wants to continue to embrace technology in her legal practice and is constantly thinking about how they can best serve their clients. For instance, at the moment, they are considering using a payment platform to ensure that, in litigation cases, clients can all be paid at the same time: 'If you can order items from Amazon that arrive within 24 hours, then how can we mirror that experience in our law firm?'

## **5.2 The adoption journey**

Legal professionals described a journey from identifying a need through to finding and implementing the technology to address it. Three key stages were explored during the research.

1. Research and decision-making  
This stage involved discovery of technology use cases, finding the right technology for needs and verifying if technology will deliver good value for money.
2. Integrating technology  
This stage involved upskilling and training (personal or with colleagues) and implementing the technology into existing systems.
3. Everyday use  
This stage involved supporting clients to use technology and evaluating the impact and use.

The research explored the experiences of identifying and introducing new technology. Findings from the research indicate the research and decision-making stage is the most difficult for sole practitioners and small firms (see table 10).

**Table10. Experience of identifying and introducing new tech or innovation**

	Easy	Difficult
<b>Evaluating the impact and use of the technology or innovation</b>	58%	42%
<b>Supporting clients in using technology</b>	52%	48%
<b>Providing information to clients on your use of new technology or innovation</b>	62%	38%
<b>Implementing technology or innovation into current systems and work streams</b>	55%	45%
<b>Upskilling and training yourself/your team on using new technology or innovation</b>	64%	36%
<b>Finding the right technology or innovation to meet my needs</b>	49%	51%

Data derived from Q21. Overall, what has been your experience of identifying and introducing new technology or innovation into your company? Base: All respondents with 'Don't know' and 'not applicable' answers removed: Upskilling and training (n=121), Evaluating the impact (n=117), Implementing technology (n=121), Find the right technology (n=119), Providing information (n=92), Supporting clients (n=98).

## 5.2.1 Research and decision-making

### 5.2.1.1 Routes to identifying technology

Sole practitioners and small-sized firms are less likely to find out about technology via technology providers and instead one of the biggest influences is peer recommendations and information (see table 11).

**Table 11. Routes to identifying technology implemented**

	% choosing each option
<b>Doing research online about different products/services, e.g. using a search engine</b>	61%
<b>Talking to other solicitors</b>	45%
<b>Seeing what competitor firms were using</b>	22%
<b>Approached by tech provider</b>	21%
<b>Other</b>	11%
<b>Talking to colleagues at my firm</b>	9%
<b>I wasn't involved in this decision</b>	3%
<b>Don't know</b>	3%

Data derived from Q17. How did you identify or find the technology you decided to implement? Base: All respondents (n=131).

Legal professionals described using online searches to get a view of what is available in the market. Online searches tend to direct legal professionals to technology providers' own content, which they tend to trust less than the views of other solicitors. Less commonly, they

find information about providers from organisations such as the Law Society. Impartiality in recommending technology providers is a key ask from legal professionals, and why independent recommendations are valued more than speaking to technology providers.

Three in four (76%) relied on colleagues or competitors to identify new technology to implement. Other legal professionals are trusted to be honest and unbiased in sharing their lived experience. Clients, accountants, and IT contractors are other trusted sources of advice – again, impartiality is key here. Peer-to-peer online forums combine online research and word of mouth methods, allowing solicitors to hear first-hand about whether different technologies truly deliver the value they promise or not. Anecdotally, one firm found recommendations were not always forthcoming from competitors, due to caution around providing intelligence on technology that gave them a competitive edge, though this appeared to be a minority experience.

***‘It’s just the shared knowledge that you pick up as you go that really (helps you to decide).’***

- **Legal Professional**

Legal professionals also referred to conferences and events where they encountered new technology and innovation. These are spaces where providers can initiate conversation and can demonstrate their products. In this context, legal professionals (when able to attend) can theoretically give attention to assessing the potential value of a product or service. However, from the legal professionals’ perspective, these events can be time-consuming and expensive to attend, taking away time they might need for fee-earning. There is also a perception that such events may be more tailored to larger firms, meaning that they can feel less relevant for small firms.

**‘There’s a legal tech conference that happens in London every year. The tickets for that are really expensive.’**

- **Legal Professional**

#### 5.2.1.2 Challenges at the research and decision-making stage

A lack of awareness of options available in the market can limit the effectiveness of research being carried out, with solicitors hearing mostly about tools which are used in their immediate network. This can mean that some technologies may never be brought to their attention. Researching technologies is also seen as a drain on time, taking resource away from other important aspects of running the business, and fee-earning.

Taking a step back, legal professionals describe a lack of certainty around which type of technology or innovation might address their needs, and this can mean that the research journey is over before it begins. Described as the ‘wild west’, legal technology options are seen as vast and there is difficulty navigating which solution is best for the bespoke needs of a small firm or sole practitioner.

This is paired with a frustration that some of the products or tools on the market don’t seem to address the needs of small firms. Legal professionals described a lack of tailored options, with offers more likely targeted at or designed with larger firms in mind. One-size-fits-all

solutions aren't always seen as suitable for small-sized firms, who may only require particular features of a product or limited functionality.

These barriers contribute to concerns about adopting technology that is not the right fit for the firm, and given the tendency towards risk aversion, and the considerable time commitment which may be involved in adopting and integrating new technology, a lack of certainty can put this audience off.

## 5.2.2 Integrating technology and innovation

Legal professionals find training and the interoperability of their current systems with new ones to be significant challenges when integrating new technology. While there are fewer barriers at this stage of the journey than in the research stage, there are still challenges and issues.

### 5.2.2.1 Confidence with using technology

Most felt that technology training and upskilling is relatively easy, which is reflected in confidence levels (see table 12).

**Table 12. Confidence levels using technology**

	Don't know	Not at all	Not very	Neither confident nor unconfident	Fairly	Very
<b>Other sole practitioners</b>	32%	1%	9%	26%	31%	1%
<b>Your colleagues within your firm</b>	10%	0%	16%	14%	52%	8%
<b>You personally</b>	1%	0%	10%	27%	45%	17%

Data derived from Q23. How would you describe your and your colleagues' level of confidence in using technology or innovation? Base: You personally (n=138), Your colleagues within your firm (n=50), Other sole practitioners (n=88).

Only 10% of legal professionals reported feeling unconfident, with a slightly higher proportion believing their colleagues lack confidence. Confidence in using technology was not seen as a significant barrier, although we did speak to some who had struggled to learn to use new software they had adopted. This suggested that whilst all may want to appear confident using new technology, this may not always be the case in practice. Those aged 65+ were less likely to report confidence personally, compared to younger age groups.

When it came to confidence with the steps involved with integrating new technology, most legal professionals thought this was easy, with 64% agreeing that upskilling and training yourself/your team on using new technology or innovation is easy.

### 5.2.2.2 Embedding technology into existing systems and teams

The research identified varied experiences of implementing technology, dependent on current technology systems in place and attitudes towards technology adoption.

55% agreed that implementing technology or innovation into current systems and work streams is easy. This still left a substantial proportion feeling that this is difficult to do. Legal professionals complained about the lack of interoperability between existing systems and

new ones which ideally would work together – such as their email or accounting software integrating with case management software.

Legal professionals also told us that it can be a considerable task to move from one piece of software to another, when information must be transferred between the old and new system. In some cases, they have transferred from paper to digital, which was also a large time-investment. For some, the knowledge that this is part of the process is off-putting when it comes to considering adopting new technology.

There are also attitudinal barriers. Solicitors described how team members can be resistant to changing the way they do things, including both older and younger members of the team. Sometimes this was due to a general reluctance to change the way they do things. Other times legal professionals believed it reflected lower confidence levels or the lack of a particular skillset.

Training themselves and their colleagues on new technology and innovation was also described as a time-commitment which didn't always feel sensible to legal professionals, although those who had been more successful with integrating technology and seeing its value believed it was worth the effort. Some also described this stage as quite easy where new technology was intuitive and they were well-supported by providers.

**'If you're busy and you've got a lot of work on then taking an hour out to do the training seems really unnatural. But if you do take an hour out to do the training you find you can do it in 10 minutes instead of the half an hour because you've been clicking buttons that you don't need to press.'**

**- Legal Professional**

### **5.2.3 Everyday use and evaluation**

Legal professionals find day-to-day use of technology quite easy but can be put off when they do not get the value they were expecting from new tools. In ongoing use, the two key challenges solicitors described were around supporting clients with using technology, and evaluating what they had invested in to ensure it was delivering good value.

#### **5.2.3.1 Supporting clients**

Overall, 52% said that they found supporting clients in using technology to be easy, with 48% finding it difficult. This illustrated very mixed experiences, with some reporting clients' refusal to use some new technologies, and others perceiving an increase in client expectations that services should be offered online. They described some clients with specific concerns about the protection of their personal or financial data, and who do not always trust unfamiliar platforms with this information. As discussed earlier, data security is a specific, and significant, concern for legal professionals.

**'We do want to make sure we are keeping data as secure as possible.'**

**– Legal Professional**

The perceived ease of supporting clients varied depending on the type of clients. In particular, firms who deal with individual consumers found supporting clients with technology more difficult (44% reporting this is difficult, n=40) than those working with business clients

(21%, n=7). All professionals who have a vulnerable or hard-to-reach client base (100%, n=7) said they find it difficult to support them with using the technology.

Technology and innovation have the potential to enhance access to legal services, and to improve access to justice, and it is important that legal professionals leverage this. This research highlights that there is more to do, because in practice, many legal professionals are finding it difficult to support the groups most likely to need improved access to justice. The impact of technology and innovation remains limited if it primarily benefits those who face few barriers to accessing legal services.

**‘If we’re using something that the clients are going to be interacting with, we have to consider it from their perspective. You know, we have clients who are children, and we have clients who are elderly. We have clients who are fearful of technology, you know, all of those sorts of things.’**

- **Legal Professional**

The research identified some difficulties in supporting vulnerable audiences in their use of technology. We recommend more research is conducted to explore the risks as well as best strategies to support clients to ensure access to justice is enhanced including the role of technology providers in helping to bridge this gap. For example, this could mean alternative engagement methods being offered to clients who struggle with virtual communication or additional support from technology providers to effectively onboard and assist vulnerable clients.

**‘Adoption of technology depends on your clients’ digital readiness. When you design a process of innovating, you need to take into account the range of clients’ readiness.’**

- **Legal and Technology Sector Expert**

### **5.2.3.2 Case study – client engagement with technology**

The following case study example is a fictional composite of real experiences and insights heard from legal professionals during the research. Details have been changed to protect participant anonymity.

Heather is a Director in an established small firm with one other partner.

#### **The challenge – client concerns**

Heather’s firm adopted new software for identity and anti-money laundering checks on clients. A client recently had doubts about the security of the software and refused to use it: ‘We did have a client who is a quantum physicist, and he was like, “I am not using this, this is not as safe as it looks.”’

This raised some concerns about whether use of technology may be questioned by clients in the future and how to reassure clients when new technology is introduced. There is a general concern that such instances may potentially harm the reputation of the firm. ‘We haven’t halted using it with other clients, but we would happily listen if you [SRA] have any guidance that can further instil client confidence,’ comments Heather.

#### **What worked well – support from the technology provider**

They reached out for advice from the technology provider, as some clients wanted to understand particular technical details of the software, and so that they could provide

reassurance to clients. This included ensuring that there was client-friendly information available on how the tool kept data safe. 'For us, while we did carry out due diligence ahead of introducing the software, and we were happy with it, we aren't IT experts. The feedback from some clients highlighted that perhaps we didn't explain all the safeguards in a way that would satisfy more technically savvy clients. So, it was great to be able to call on the technical provider to explain the technicalities of how the software worked for those clients that wanted this detail,' says Heather.

#### 5.2.3.3 Evaluating the benefits

Even after adoption, cost can be a continuing barrier to retaining technology. Cost is of course also a barrier earlier in the journey, but many new technologies have an ongoing or subscription cost. The ongoing cost of subscription services can become unmanageable if fees increase over time. This can lead to ending contracts early and scrambling to find alternatives, which was difficult with limited resources. This had been the case for some participants who had subscribed to a particular case management system, then cancelled their subscriptions and found new software when the prices increased and became unaffordable for them. Small-sized firms and sole practitioners described having relatively little funds available to cover unexpected cost increases.

Some had also found that new technology was not as useful as they had initially thought, or that they would need to pay for a higher level of service to get the best use out of the software. This was a frustration which often led to cancelling the subscription and seeking another option which would represent better value.

**'For our practice, which is fairly small, the cost is a little prohibitive, to be honest, to have it there as a full-time resource for the limited number of times I need to do that research.'**

**- Legal Professional**

Cost and return on investment were enduring concerns throughout the adoption process. Respondents described evaluating the impact and use of technology or innovation as easy (54%), and hard (42%). This means that a substantial proportion are struggling to be sure that they are getting value for money from their investment. It is also difficult for firms to routinely check they are using the best value-for-money option because the marketplace is crowded and poorly mapped. Firms described difficulty in comparing different options to determine which are better value, because there are no set criteria against which to compare, other than price.

#### 5.2.4 Differing adoption journeys

As survey respondents are using multiple forms of technology and innovation, in addition to small sample sizes, it is difficult to unpick whether some types of technology or innovation are found to be more or less difficult to introduce. Nonetheless, some patterns have been identified across the adoption stages.

The research and decision-making stage were found to be more challenging when firms were exploring newer technological trends. Use cases are unclear for less established technology, such as AI, which requires more time and resource to understand opportunities and risks. Additionally, legal professionals are faced with too much choice for some solutions, such as case management, making it difficult to assess which is best suited for their specific needs.



Anecdotally, clients were more likely to require reassurances about technology that managed personal or sensitive data, or that which processed finances. It was also found to be harder to assess value for money of technology which used a subscription model when cost increases took place.

## 6 Barriers when adopting technology and innovation

### 6.1 Barriers to adopting technology and innovation

Sole practitioners and small firms surveyed were asked to consider the biggest barrier to adopting new technology and innovation (see table 13). In line with findings from wider literature (see section 10.3.3), cost is found to be a key challenge. Only 4% of survey respondents feel there are no barriers present.

**Table13. Biggest barrier to technology and innovation adoption**

	% choosing each option
<b>Cost</b>	25%
<b>Risks of a data breach or lack of data protection compliance e.g. GDPR</b>	15%
<b>Concerns about quality and reliability of technology</b>	11%
<b>Concerns about regulation or compliance</b>	10%
<b>Uncertainty about return on investment</b>	9%
<b>Time constraints</b>	7%
<b>Other</b>	4%
<b>Concerns about how use of technology could impact client trust</b>	4%
<b>Lack of confidence</b>	3%
<b>Lack of knowledge and/or skills</b>	3%
<b>Limited access to training and support</b>	3%
<b>Concerns about integration with existing technology or processes</b>	2%
<b>I do not see any barriers</b>	4%

Data derived from Q20. Which of the following do you consider the biggest barrier to adopting technology and innovation in your practice? Base: All respondents (n=138).

Interestingly, there is some variation in barriers across different types of technology and innovation. Those who were not currently using specific technology were asked to indicate which factors had prevented them from doing so (see table 14).

Cost, risks around data, and concerns about quality and reliability are key barriers for the majority of technology types. This is particularly the case for more established technologies, such as cloud computing, accounting software and document management software. This is because established technology is met with fewer concerns about regulation or compliance, while more focus is placed on cost.

There are different challenges for adopting newer types of technology, such as AI and Gen-AI. Newer technology is seen as presenting a wider range of risks. Concerns about regulation or compliance eclipse concerns about cost. Key barriers for AI and Gen-AI indicate that sole practitioners and small firms are likely to require more support to

understand the benefits and risks they present, including how to ensure compliance with professional obligations and wider regulations.

**Table14. Barriers preventing adopting technology or innovations**

<b>Technology and innovation</b>	<b>Top three barriers</b>
Legal chatbots (n=116)	<ul style="list-style-type: none"> <li>• Concerns about quality and reliability (49%)</li> <li>• Risks of a data breach or lack of data protection compliance (47%)</li> <li>• Cost (36%), and concerns about regulation or compliance (36%)</li> </ul>
AI automation or Gen-AI (n=105)	<ul style="list-style-type: none"> <li>• Risks of a data breach or lack of data protection compliance (51%)</li> <li>• Concerns about quality and reliability (48%)</li> <li>• Concerns about regulation or compliance (41%)</li> </ul>
Client portals (n=103)	<ul style="list-style-type: none"> <li>• Cost (47%)</li> <li>• Risks of a data breach or lack of data protection compliance (47%)</li> <li>• Concerns about quality and reliability (28%), and concerns about regulation or compliance (28%)</li> </ul>
CRM or marketing innovations (n=89)	<ul style="list-style-type: none"> <li>• Cost (46%)</li> <li>• Risks of a data breach or lack of data protection compliance (29%)</li> <li>• Uncertainty about return on investment (28%)</li> </ul>
Cloud computing (n=50)	<ul style="list-style-type: none"> <li>• Cost (44%)</li> <li>• Risks of a data breach or lack of data protection compliance (44%)</li> <li>• Concerns about quality and reliability (32%)</li> </ul>
Case management software or workflow changes (n=50)	<ul style="list-style-type: none"> <li>• Cost (48%)</li> <li>• Uncertainty about return on investment (26%)</li> <li>• Time constraints (16%), and concerns about quality and reliability (16%)</li> </ul>
Document management and production software or electronic signatures (n=41)	<ul style="list-style-type: none"> <li>• Cost (41%)</li> <li>• Risks of a data breach or lack of data protection compliance (39%)</li> <li>• Concerns about quality and reliability (39%)</li> </ul>
Online payment processing, accounting software or	<ul style="list-style-type: none"> <li>• Risks of a data breach or lack of data protection compliance (47%)</li> </ul>

Technology and innovation	Top three barriers
alternative fee arrangements (n=32)	<ul style="list-style-type: none"> <li>• Cost (41%)</li> <li>• Concerns about quality and reliability (41%)</li> </ul>
Communication software (n=26)	<ul style="list-style-type: none"> <li>• Cost (65%)</li> <li>• Concerns about how technology could impact client trust (38%)</li> <li>• Risks of a data breach or lack of data protection compliance (35%); concerns about quality and reliability (35%); and concerns about regulation or compliance (35%)</li> </ul>

Data derived from Q19. Which of the following barriers, if any, have prevented you from adopting the following technology or innovations at your practice? Please select all that apply. Base: All respondents not currently using each form of technology or innovation – base sizes (n=26 to n=116).

Some research participants reported abandoning certain technologies, with some citing examples of data breaches, rising costs and not gaining the desired benefits. Of those surveyed, 8% reported they have stopped using one or more of the tested technology and innovation solutions in the last five years. This represented a spread of technology types, including case management software (n=3), client portals (n=2), cloud computing (n=2) and legal chatbots (n=1).

Anecdotally, we heard how concerns about data breaches have resulted in some firms abandoning technology altogether, while other lapsed use was a result of increased costs and a perceived lack of value for money. Poor experiences can leave legal professionals reticent to seek alternatives or adopt other types of technology in the future.

### 6.1.1 Case study – experiencing a data breach

The following case study example is a fictional composite of real experiences and insights heard from legal professionals during the research. Details have been changed to protect participant anonymity.

Andrew is a legal professional. He qualified as a solicitor five years ago and currently works at a small firm with two partners.

#### The case for change – speeding up processes

A few years ago, Andrew's firm decided to introduce identity verification technology to speed up the onboarding process for cases with large numbers of claimants. The expectation was that this would improve client experiences, as well as reducing the administrative workload for staff at the firm. 'It's a real hassle onboarding people by hand – you need to get their signed engagement terms, you need to run background checks, you need to take their ID and enter it manually.'

#### The challenge – a data breach

The process of introducing the technology went smoothly and on a day-to-day basis, the product was effective in speeding up the onboarding process. 'It saved lots of work and it was £2 to £3 per client, so not very expensive. It worked really well initially,' says Andrew.

However, the software was subject to a data breach. This meant the firm had to do lots of extra work to reassure their clients, with many feeling angry about the breach. 'We had to

write 110 letters to clients informing them of the data breach,' says Andrew. 'Most people didn't mind, but lots of them did...'

### **What worked well – responding quickly**

When Andrew's firm were made aware of the data breach, they considered what they needed to do to comply with their professional and legal obligations, including taking steps to inform clients of the data breach as well as informing relevant regulators about the breach. 'We now feel more prepared if a similar situation happens in the future and we will closely consider risks and how to manage them when we adopt new technology'.

### **6.1.2 Cost and value for money**

A quarter of those surveyed (25%) recognise cost as the biggest barrier to adopting technology and innovating. Consistent with our evidence review (section 10.3) and adoption journey experiences (section 5.2.3.2), sole practitioners and small firms that we spoke with often noted that they operate on tight margins. They can be deterred by high upfront costs in procuring technology products and worry about increasing subscription fees. Some technology offers do not provide the right value for smaller sized firms, for example if only one feature of a tool is required, or the price assumes a high number of users.

Additionally, there is difficulty in assessing return on investment and whether a tool is good value for money which can deter adoption, especially without trial offers or flexible contract options which do not require long-term commitment. Legal professionals were worried about investing in technology or innovation that doesn't meet their needs (78%), indicating difficulty in assessing cost/benefit.

Interestingly, the LSB's 2023 research found that of those legal services providers who had introduced new or improved services using technology, most found that it cost the same or less than they expected. In fact, seven in ten reported reduced costs of service delivery. Nonetheless, this research found that only 18% recognised increased profitability for the firm as a benefit of implementing technology, and only 13% reported benefits of reduced client costs. This may suggest that smaller-sized firms see fewer cost-saving benefits than larger firms, or that longer-term use is required to see similar returns on investment. Moreover, it may reflect difficulty in calculating time-saving efficiencies, which is considered a key benefit of technology adoption.

Limited cost-savings may be a result of reluctance to integrate technology into all stages of legal work. While smaller-size firms generally support using technology to help automate administrative tasks, they are hesitant to apply technology to non-administrative tasks. Concern seems to arise over a fear that they believe their own roles to be at risk, in addition to quality assurance – they are not confident that technology can be successfully turned to legal tasks without time-consuming oversight from a solicitor. This presents a tension between improving productivity and preserving the role of lawyers, which may limit potential cost-savings across legal work.

### **6.1.3 Regulation or compliance concerns**

Some participants expressed a concern about whether products or tools complied with existing regulations. For example, one in four (25%) consider regulation or compliance (including data protection compliance) to be the biggest barrier to adoption. Concerns were particularly focused on technology which handled clients' personal or financial data, such as accounting software, client portals or document management software. General compliance concerns were also present for newer technology, specifically AI (see section 4.3.3). These concerns echo wider commentary on AI and its potential risks related to bias, data privacy, accuracy of outputs, and transparency on how algorithms work, learn and 'make decisions.'

AI hallucination refers to an instance when the AI model produces information, or content, that appears plausible but is factually incorrect, misleading or fabricated. Risks related to AI hallucinations or incorrect observations are particularly relevant for the legal sector, given that accuracy of information is core to a legal professional's duty.

#### **6.1.4 Staying up-to-date**

72% of those surveyed report concerns about investing in technology that quickly becomes outdated or non-compliant. High levels of risk aversion mean this audience is particularly cautious about adopting technology that is not widely used and prefers to invest in tried and tested solutions. This may suggest that smaller-sized firms will lag behind in adoption of AI – and other new trends – unless there is clear information on how new technologies and innovation are, and remain, compliant with standards and regulations.

#### **6.1.5 Lack of knowledge and choice overload**

Challenges related to lack of knowledge are twofold. Firstly, some legal professionals are not aware of the various products and tools that could be used at their firm to enhance services or improve ways of working. This lack of knowledge around the practical use of technology prevents them from discovering new products or tools. As outlined in section 4.1, awareness is lowest for legal chatbots and Gen-AI. Secondly, some legal professionals have a problem or use case in mind but struggle to know which technology solution would be most suitable for them.

This can be exacerbated by choice overload. Technology options are vast and there is difficulty navigating which solution is best for the particular needs of a sole practitioner or small firm. On the other hand, there can also be a lack of suitable options for this audience, with offers more likely being targeted at or designed with larger firms in mind. This leads to concerns about adopting technology that isn't the 'right fit' or quality. While peer recommendations are valuable in providing trusted advice to cut through the vast array of options, some do not have access to these, nor positive examples of use cases.

#### **6.1.6 Resource limitations**

Due to their size and scope, sole practitioners and small-sized firms lack time and resources to explore the range of technology and innovation opportunities – whilst larger firms are more likely to have dedicated teams or additional resource to assess the different solutions on the market, and the relative costs and benefits. Opportunities to explore options, such as in-person conferences, can be expensive and difficult to set time aside for. Ultimately, prioritising technology and innovation is perceived as taking time away from delivering for clients and fee-earning.

**'Lawyers are time poor. However much they could gain, it's how much time and resource they have to educate themselves...In larger firms, they have a view on whether they can use it.'**

**– Technology Provider**

As detailed in section 5.2.4, some types of technology are found to require more time and resource to explore during the research and decision-making stage of the adoption journey. This includes newer trends, such as AI, where use cases and risks are less apparent. Technology which requires significant change within the business, such as integration into a new system, needs time set aside for risk assessment, cost evaluation and planning. Technology which requires little set-up, has a single function or an easy-to-understand use

case (such as electronic signatures), and minimal perceived risks were found to need fewer resources to implement.

### **6.1.7 Attitudes and confidence**

Aligning with previous research (see section 10.3.3), there are attitudinal barriers which can prevent innovation from taking place. Partners in small-sized firms can be divided in their attitudes towards technology and the cost/benefit it can bring, which can result in no investment.

**‘There are (other) firms out there that feel very threatened by technology as it's challenging the ways they've always done something.’**

- **Legal Professional**

Some negative attitudes relate to the perceived quality of technology. While 68% of sole practitioners and small firms agreed that ‘most legal technologies are effective at what they are designed to do’, over a quarter (28%) disagree, suggesting possible mistrust. In contrast, the Law Society and the LSB’s survey (2024) found that less than half of solicitors agree with the statement, which may suggest that smaller-sized firms feel more positively than the wider sector, or that attitudes are shifting in a positive direction.

Attitudes are also impacted by confidence. While those surveyed generally felt confident in their own skills, a slightly smaller proportion felt their colleagues are confident. A lack of confidence may prevent firms seeking out technology if they anticipate difficulties related to upskilling and training. However, 64% agree that a lack of technology and innovation may lead to issues recruiting and retaining staff, which does suggest recognition of appetite for this among legal professionals.

While some legal professionals are more technologically savvy and stay on top of trends due to their own personal motivation, others are less interested but understand that they could miss out on benefits if they do not keep up-to-date. Ultimately, nine out of ten surveyed recognise the importance of keeping pace with technology and innovation.

### **6.1.8 Technical challenges**

As outlined in section 5.2.2, key challenges faced during the integration stage relate to whether new technology is interoperable with existing systems. With limited access to in-house IT support, technology adoption can come with added set-up costs if integration is not straightforward. As acknowledged by experts interviewed as part of the evidence review (section 10.3.3), firms can feel ‘locked in’ to using a specific technology they have chosen to adopt, if they discover later that it limits their future options. This lack of flexibility can be a barrier to adopting new technology, and a difficult hurdle to jump when deciding which technology to commit to in the first instance.

## **6.2 Challenges from the technology providers’ perspective**

As part of the research, we also explored challenges that technology providers experienced when engaging with sole practitioners and small firms.

### 6.2.1 Knowledge and attitudes

A lack of awareness of practical applications of technology was recognised by technology providers. Aligning with legal professionals' self-declared knowledge gap on technology, providers feel that many firms don't necessarily know what is on offer in the market, preventing them from seeking out products and services in the first place. This was thought to be a particularly pertinent issue for smaller-sized firms, due to resource constraints, and created difficulties with engagement.

Linked to knowledge levels, some providers are aware of the narrative that technology may 'replace' solicitors – whilst providers feel such fears are unfounded, they see these as mindset barriers. This perception was most likely to be associated with AI. Technology providers feel that misconceptions and a low understanding of the application of AI can lead legal professionals to avoid seeking opportunities.

This has led some technology providers to believe sole practitioners and small firms lack interest in adopting technology and innovation. This view is reinforced by fewer interactions with smaller-sized firms compared to larger firms in general, including at conferences. Nonetheless, as outlined in section 5.2.1.1, legal professionals indicate that a lack of conference attendance is a result of being time-poor and prioritising cost-savings as opposed to ambivalence towards innovation.

### 6.2.2 Integrating technology

Providers noted that firms have various existing systems in place for functions like case management, which can mean they must describe their products differently each time to properly demonstrate their advantages. Additionally, it is easier for providers whose products don't replace or need to integrate with existing systems. A lack of internal IT support can make this more challenging.

**'There's not been enough understanding of how that process differs from the existing internal processes and what then needs to happen internally to adjust people from the old way to the new way.'**

- Technology Provider

### 6.2.3 Risk aversion

While many of the barriers to engagement identified are thought to be typical of micro and small-sized businesses generally, technology providers acknowledged a heightened level of risk aversion amongst legal professionals. Providers felt firms are less open to 'new' technology and prefer solutions that have been tried and tested, which are seen as fit for purpose. Product demonstrations are thought to be helpful to ease concerns, but providers sometimes find it challenging to get to this stage. Some providers also lacked case studies of similar-sized firms who have used their products successfully, which they recognised would help to provide reassurances.

**'They are trained to be risk averse. They're trained to spot the problems with stuff. That's what being a lawyer is about.'**

- Technology Provider



## 7 Supporting sole practitioners and small firms to adopt technology and innovate

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### 7.1 Overview of support

Sole practitioners and small firms would like support from regulators, technology providers and professional bodies to aid successful adoption. They see the benefits of support across a range of areas (see table 15).

**Table 15. Requirements to adopt**

	% choosing each option
<b>Clear information on compliance with data protection requirements</b>	36%
<b>Trial periods to test use of new products/services</b>	33%
<b>Funding to support adoption</b>	30%
<b>Regulatory support e.g. further information and guidance on use of technology</b>	29%
<b>Case studies to show proof of success among other firms</b>	28%
<b>Increased access to training and upskilling</b>	24%
<b>Greater transparency of pricing models</b>	21%
<b>Clear demand from consumers</b>	21%
<b>Other</b>	4%
<b>Don't know</b>	4%
<b>None of the above – I don't want to adopt new technology in the next 12 months</b>	10%

Data derived from Q27. Which of the following would you need in order to adopt new technology or innovation within the next 12 months? Base: All respondents (n=138).

Given the emphasis placed here on compliance with data protection requirements and a desire for regulatory information on using technology, this suggests that small-sized firms would like more impartial information.

**‘Providing balanced and unbiased information about the [risks and benefits] of adopting the technology so that we can understand the benefits. We are sceptical of receiving this information from tech providers.’**

**– Legal Professional**

Table 16 shows that a substantial proportion of legal professionals surveyed had concerns that new technology could quickly become outdated or non-compliant.

**Table 16. Level of agreement around investing in technology that quickly becomes outdated or non-compliant**

Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Don't know
23%	49%	20%	6%	2%

Data derived from Q18. To what extent do you agree or disagree with the following statement? I am worried about investing in technology that quickly becomes outdated or non-compliant. Base: All respondents (n=138).

## 7.2 Supporting research and decision-making

At the research and decision-making stage there were a lot of suggestions for how support could be provided. Legal professionals were particularly interested in information on the regulatory requirements they should keep in mind when using technology. They also had a keen interest in how the risk of investing in new technology could be reduced through greater certainty that a product or service matches their expectations.

**‘Clear guidance on approved technologies or some level of ‘Yes/No’ approval process for small firms, where we could [...] be certain that technology provided by a software company can be used within the law firm.’**

**– Legal Professional**

We also discussed how small-sized firms can be supported to adopt technology in the collaborative workshop. The following actions were suggested by legal professionals and technology providers in both the fieldwork and the workshop.

### 7.2.1 Actions suggested for the SRA

Participants in the research and at the workshop value the SRA's impartiality as a regulator. It was suggested that the SRA could provide digestible and easy to navigate information for legal professionals on how to remain compliant and how to manage risk when adopting technology. This would help law firms feel more informed when making choices about technology and innovation.

One way that the SRA could encourage small-sized firms to adopt new technology is by collating and publishing case studies of when law firms, particularly small-sized law firms, have successfully adopted new technology. For some this was about demonstrating how technology can serve bespoke requirements with consideration to types of client and practice areas. For others it was about showing success more broadly and providing reassurance. This would also help to address concerns that small firms have in choosing the ‘wrong’ product and investing in something which does not fulfil their needs or represent value.

Many participants mentioned that the SRA offers webinars already, and there was an interest in the SRA continuing to provide webinars that outline technology benefits and practical applications for different types of technology. This was specifically mentioned in relation to AI, with participants interested in learning about the ‘dos and don’ts’ to support risk management. It would help to bridge the knowledge gap which currently prevents many small-sized firms and sole practitioners fully understanding what types of technology might benefit them and how.

The idea of a sandbox or a testing environment was mentioned by some technology providers and legal professionals as a means to helping innovators, and law firms, to test out new technology while reducing perceived risks, although they were uncertain about who would provide this environment. The SRA was seen as well-placed to lead on the creation of an initiative.

Very few were aware of or mentioned sources of funding available to them for investing in new technology and innovation. They saw this as something the SRA could promote the awareness of within its regulated community.

## **7.2.2 Suggested areas for collaboration**

Participants identified areas that do not solely sit within the SRA's remit but that they felt could be areas for collaboration between different organisations.

Similar to the idea of case studies, the idea of success stories from sole practitioners and small firms on use of specific technology was raised. This could help to demonstrate value for money, including evidence of return on investment. They recognised that this might not fit with the SRA's impartiality, however, as it would likely refer to specific products.

In a similar vein, there was an interest in impartial information on the different technology products that exist in the market. Many recognised that while this could not come from the SRA, product recommendations from legal professionals or trusted experts would be helpful. This could help them to identify options without having to do a full assessment of the costs and benefits – something which participants often said takes up much-needed time.

There was interest in a marketplace for legal professionals to compare technology options based on their requirements. This would help them to focus on the right type of technology for their needs, and present only the relevant options, saving time and reducing cognitive overload.

Another suggested solution which could reduce cognitive overload and ease concerns is a sector partnership with technology providers, to produce a pre-approved list of providers who are compliant with regulations. This would help legal professionals to feel reassured that they are investing in a good quality solution. This aligns with a broader trend for helping consumers to be more informed when selecting products, for example through the government's AI assurance toolkit.

In a similar vein, some legal professionals expressed a desire for a simple 'checklist' of factors that they should consider before adopting technology products or tools and to help make the decision-making process as streamlined as possible. Interestingly, no participants referenced existing resources aimed at supporting small businesses and law firms when procuring products, for example the Law Society checklist.

More broadly, legal professionals discussed a desire for some certainty that adopted technology products will not become obsolete (resulting in a loss of investment) – although there was some recognition that this is not an absolute reassurance that can be provided.

Participants also suggested that discussing with other firms could help to ease these concerns. Networking and collaboration amongst legal professionals, through dedicated events and forums (led by professional bodies or industry groups) can help to create an environment for this sharing, to help cut through the choice overload and speed-up the process of finding products.

We heard about some strategies employed in the research and decision-making stage which were less about finding the best product, and more about finding the most cost-effective option. Some highlighted the benefits of non-technological innovations that do not require

significant investment but still add value, such as streamlining in-house processes, identifying a new client base or using new marketing channels. Additionally, others had received helpful advice on negotiating with technology providers from peers.

Finally, there were ideas for how technology providers could improve their engagement with small-sized firms and sole practitioners. There was some support from legal professionals for the SRA to make recommendations on how best to communicate with sole practitioners and small firms, and making clear the role and scope of such firms and the challenges they face. They felt that they would benefit from technology providers presenting information in a way that is simple and clear. In particular, this would include:

- signposting the 'challenges' their technological product or service addresses to give a clearer understanding of its practical use
- clear, comparable terms of use and conditions which allow legal professionals to compare different provider offers
- information presented in a way that is easy to navigate, such as digestible summaries, with the 'behind the scenes' detail available if needed
- transparent information related to risks and compliance to provide legal professionals with confidence ahead of investment.

Research participants also expressed some concerns that the offering from technology providers can feel calibrated to larger firms and doesn't always represent good value or utility for small-sized firms. For this reason, they would benefit from technology providers offering:

- pricing structures that are linked to the number of professionals in the business, ensuring a lower price point for sole practitioners and small firms
- technology packages that cater to the scope of sole practitioners and small firms, such as product packages that only include required functions.

Legal professionals also suggested that it would be helpful for technology providers to share case studies from similar sized firms that have successfully used their products.

### 7.3 Integrating technology

There were fewer suggested actions at this stage of the journey with many suggestions mentioned focusing on how to help firms upskill in a way that is simple and compliant, and that helps with the adoption and integration of technology.

The value of the SRA providing digestible and easy to navigate information to support firms when adopting technology was seen as beneficial at both the decision-making and integration stage.

Legal professionals also suggested that the SRA could signpost to available training on technology and innovation, for example training provided by the Law Society. Research participants had no expectation that the SRA would provide training on specific types of technologies or products but there was a sense that participants would trust the SRA's recommendations on where to access such training.

Finally, legal professionals spoke about the value of product demonstrations and trial periods so that they could test products and tools before integrating them. The ability of multiple team members to attend demonstrations and use products during trial periods was highlighted as particularly valuable so that firms can effectively assess the costs and benefits. It also allows firms to address any internal concerns and barriers around adopting a product or service that is not the right fit.

## 7.4 Everyday use

There were very few suggested actions to aid with everyday use of new technologies and innovations. By this point in the journey, most barriers were due to costs increasing over time or difficulties explaining new technology to clients.

Nonetheless, the research did highlight some difficulties in supporting clients with using technology – in particular vulnerable consumers. The SRA does currently provide support and guidance on this online. Additional support from technology providers in relation to onboarding and technical assistance is something that research participants suggested would be helpful. The risks of technology and innovation adoption in relation to access to justice was highlighted as something that sole practitioners and small-sized firms would value more information on. More broadly, the specific challenges that firms face in supporting clients to use technology may mirror challenges faced when supporting clients generally.

## 8 Additional case studies

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In addition to the case studies included in sections five and six on particular aspects of the adoption journey, we have set out below two additional case studies to illustrate the end-to-end journey that small-sized firms can experience. As before, these case studies are composites of real experiences and insights that we heard from legal professionals during the research. Details have been changed to protect participant anonymity.

### 8.1 Adoption of case management software

#### **What the software does**

Case management software is a digital tool that helps firms to organise information and data related to their cases. It helps track daily tasks and client case information all in a secure environment in the cloud. This information is accessible to partners for collaboration on cases or to cover sick leave. Case management software helps to record notes, set reminders, assign tasks, track deadlines, link cases, and generally manage and organise workflow. These platforms offer ongoing support and operate on a subscription model.

#### **The case for change – accessible caseloads and succession planning**

Arjun's firm has been in operation since 1989. He was interested in adopting case management software for his firm, as he focused on succession planning and making his caseloads more accessible as he approached semi-retirement.

Openness to adopting new technology varied across the three other partners working at his firm. Some adoptions had already taken place since the pandemic, including new laptops and virtual communication software to support hybrid working: '[The pandemic] prompted quite a big period of change. I even had to get a new laptop that had the right microphone and a camera built into it. And yes, to begin with, everybody was very hesitant about it all.'

#### **The challenges – choosing the right software, risk and partner buy-in**

Arjun struggled to find case management software options which seemed suitable for his firm. Many offers appeared to be targeted at larger firms with far higher volumes of cases. He also noted that some tools used AI, which raised concerns for him about compliance. He lacked time to effectively engage with the various options, including possible risks, while juggling his legal work.

He also experienced resistance from one of the other partners at his firm, who was concerned about the cost/benefit of adopting a new tool and was largely happy with the current ways of working: 'The risk is that you spend [money on] it, and it still doesn't work because you don't necessarily have the skills and expertise to use it properly.'

#### **What worked well – free trials and access to technical support**

Arjun received a free trial period from his preferred provider, which was extended to all partners in the firm. While they only had access to limited functionality, this gave them time to try out the tool and understand whether it could deliver value for money.

They also received access to technical support services, who helped them resolve teething problems, which included onboarding other partners to collaborate on cases. This upfront, hands-on support helped all partners get comfortable using the product, and for Arjun to achieve buy-in: 'The tipping point was when the trial ended, and we felt that we couldn't function without it.'

## **The benefits – future-proofing the business, flexibility and modernisation**

Users of technology strongly felt the benefits it has had on their ways of working and day-to-day running of the business. For Arjun, the adoption of technology has ensured that the business is future-proofed, including being prepared for transitioning cases in the event of illness or a retirement at the firm. There is more flexibility for the team to work outside the office and the recognised efficiencies have led him to spend less time on admin and more time providing legal services to his clients. He's happy that the firm are keeping pace with the wider sector: 'The feedback from the team was "we need this product, we can't function without it," coupled with the fact that it is saving so many hours, it absolutely represents real value.'

## **8.2 Adoption of customer-relationship management (CRM) software**

### **What the software does**

Customer-relationship management (CRM) software (also known as client-relationship management software) helps to streamline the client relationship workflow by organising contact lists and client data. This software allows for automation of tasks, such as handling client enquiries and conflict checks. Marketing analytics, AI assistance, and client portals are also often included. These systems can help to mitigate the risks associated with partner retirements and to maintain strong client relationships through transitions. Many of the providers of case management software systems (referred to in 8.1) also offer client relationship management systems and these can be integrated.

### **The case for change – client expectations and business efficiencies**

Claire works at a small firm with one other partner. Her key clients are businesses that increasingly expect the law firm to use technology. The firm has adopted a range of technologies over the last five years, including accounting software. This has saved them money by enabling them to do more of their accounting in-house and so cutting the requirement for an accountant.

Claire was eager to introduce further efficiencies into the business. She wanted to adopt CRM software to help maintain client lists and build more engagement with her clients: 'I've seen technology evolve and we're really passionate in our business about aligning the client journey with legal services and technology.'

### **The challenges – integration and costs**

Claire was overwhelmed by choice when she began exploring CRM options. These were difficult to navigate, and she felt bogged down in information. She wanted a solution which integrated into existing systems. She had several conversations with different providers, but wasn't always sure if she could trust that the software would be the right option for her: 'If we did move things over to a new system, we'd need to integrate. It would need to integrate with all of those slightly disparate things. And I'm just not sure how that would happen.'

She was also put off by high, upfront costs for some solutions and was reticent to commit to a long-term contract without knowing what the return on investment would be.

### **What worked well – flexible payment schemes and talking to peers**

Claire opted for software that offered a rolling monthly subscription. This gave her more flexibility to assess the value of the CRM and find another option if it didn't meet her needs.

She received a recommendation from a legal professional working at another firm with the same requirements as her, which was also similar in size and clients. She found the advice valuable: 'It's just the shared sort of knowledge that you pick up as you go that really forms the basis to decide.'

The software she chose had interoperability with the firm's existing systems which made the adoption process seamless.

### **The benefits – enhanced productivity and client engagement**

Claire has found that using the CRM has increased her productivity, giving her more time to innovate in her marketing efforts, in addition to providing more time to spend on other areas across the business. The CRM has allowed Claire to enhance her engagement with clients. She also feels data security has improved and these reassurances are valued by her clients, who trust their data is being stored securely: '[The CRM] gives clients the security knowing there is a system in place; when I say "I'll put this onto the system", they can feel it's a proper firm.'



## 9 Conclusion

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This chapter of the report summaries the key findings from the research as well as insights and suggested actions for the sector, including the SRA, to consider, to support sole practitioners and small firms to successfully adopt technology to improve access and delivery of legal services.

### 9.1 Key findings

**1. Drivers and barriers to all firms adopting technology found in prior research are also experienced by sole practitioners and small firms.**

Common drivers include a desire to increase efficiency and increased consumer expectations, while lack of knowledge and regulatory and compliance concerns are common barriers. Nonetheless, some barriers are likely to be felt more acutely by this audience due to fewer resources being available compared to larger firms. For instance, cost remains a key barrier to adoption which is particularly pertinent for sole practitioners and small-sized firms that operate on tight margins.

**2. The vast majority use some form of technology or innovation, with half expecting to introduce new technology in the next year.**

This audience are most likely using communications software, accounting software and cloud computing. Non-technological innovations are also taking place, such as the use of new marketing channels. Some factors were found to correlate with greater uptake in the last five years, such as working with business clients.

**3. Legal professionals see a significant role for technology and innovation to enhance access to justice.**

There is an opportunity for technology to improve efficiency and reduce the cost of supplying legal services, although it is not always clear whether, and how these benefits will be passed on to clients. Uncertainty comes from not knowing the benefits of adopting technology. Although technology can boost efficiency, sole practitioners and small-sized firms need time and money to identify the right solution and implement anything effectively. While client-facing technology can enhance how some clients engage with legal services, there is a risk that overreliance on technology can exclude those who are digitally disengaged, which is often among the most vulnerable audiences.

**4. Research and decision-making are the most challenging parts of the technology adoption journey.**

Sole practitioners and small-sized firms often have limited time and resources available to research new technologies, an issue which can be exacerbated by a lack of options that cater to the needs of sole practitioners and small firms. For this reason, many are reliant on recommendations from peers – with specific product recommendations helping to streamline this process.

**5. Experiences of introducing technology and innovation can vary drastically depending on the type of solution adopted.**

The research and decision-making process is more difficult to navigate when the practical applications, or use cases, are unclear (this was commonly cited as an issue for AI and Gen-AI) or where too many options are available (this was commonly for case management

tools). Once implemented, clients are more likely to require reassurances about technology that handles their personal or financial data.

## **6. Barriers to adoption can differ depending on the type of technology.**

A key barrier for more established and familiar technology, such as cloud computing, is cost. Newer technology such as Gen AI, on the other hand, is viewed as posing a wider range of perceived risks, including data breaches, quality and return on investment. This reflects risk aversion for unestablished technology and additional support requirements to aid early innovation.

## **7. Low knowledge and risk aversion can lead to attitudinal barriers that prevent innovation taking off.**

Partners can be divided in their attitudes towards technology and the benefit it delivers relative to the cost. There is also some underlying fear that technology may 'take over' jobs. Whilst most agree fears are unfounded, it is indicative of underlying attitudes towards technology in the sector.

## **8. A lack of adoption poses risks for sole practitioners and small firms.**

If this audience are unable to keep pace with technology and innovation adoption (as well as evolving consumer demands), they risk not being able to keep pace with their competitors, with wider implications for consumers. It's therefore important that they overcome identified barriers and appropriately engage with new technology and innovation, to remain competitive and meet evolving consumer needs.

# **9.2 Insights and suggested actions**

The research highlights that more support may be helpful for sole practitioners and small firms in adopting technology and innovating. We have segmented the insights from the research to highlight where there were suggested actions for different organisations and actors in the legal system:

## **9.2.1 Technology providers**

The research identified a range of ideas for actions that technology providers could take which could reduce some of the barriers to small-sized firms adopting new technology. These included ensuring information is easy to navigate to help legal professionals choose the best option for them.

Additionally, there is a desire for providers to tailor their offering to smaller firms, in ways such as pricing structures linked to the number of users and ensuring that trial periods are offered to multiple members of the team and to help firms ensure that the product or service works for them practically and financially. As cost is a significant concern for small-sized firms, a tailored solution must offer value for money. This could involve tiered pricing if only certain functions of a product are required. While subscription models were valued for their flexibility, many participants noted that the ongoing fees could become unmanageable if they increased over time. Ongoing transparency about costs, guaranteed fixed rates, or ample notice of increases could better support small-sized firms.

The research identified difficulty in supporting consumers in their use of technology, particularly vulnerable audiences. It would be beneficial for technology providers to support small firms where possible in this area, including developing user-friendly guides and the availability of technology support specifically for clients.

### 9.2.2 Legal professionals and law firms

Sole practitioners and small firms both rely on, and value, peer recommendations. As such, sharing knowledge with other firms, particularly those similar in size or practice, is beneficial. This includes knowledge-sharing about practical uses of technology, product recommendations, advice on how best to support clients in the use of technology and tips on how to ensure the adoption process is as smooth as possible.

The research highlighted that some consumers – particularly those with vulnerabilities – can sometimes struggle to use of technology, and that this can compound risks for accessing legal services, and justice. It is important that there is adequate support in place for consumers to use any tools or products. Similarly, firms can also ensure there are alternative means to accessing services, such as offline or face-to-face communication.

### 9.2.3 Legal regulators and other regulators

The research highlights areas where sole practitioners and small-sized firms would like more support, and that align with the SRA's strategic and regulatory objectives. For example, many participants suggested that it would be helpful for the SRA to provide information to sole practitioners and small firms when adopting new technologies – particularly focused on what firms should keep in mind to ensure they remain compliant with professional obligations.

More broadly, there was a particular interest in more information about data protection regulations and what firms should keep in mind when using AI, and GenAI. While there is guidance available from the [Information Commissioner's Office](#) (ICO) on data protection related to AI, there was an interest in more tailored information for small-sized firms on data protection regulations and requirements.

More information about AI was also highlighted as something that sole practitioners and small-sized firms would find useful, including information on its practical applications and use cases, and how to manage its risks. One in five think it would be helpful to adopt AI in future, so support and information could help this audience to harness its benefits.

Sharing case studies of sole practitioners and small firms that have successfully implemented technology, such as those from this research, is a helpful resource. Practical examples help to reassure legal professionals that others 'like them' have managed to adopt technology, as well as give more insight into the practical application and real-life benefits. Participants also mentioned how webinars and targeted events focused on technology are beneficial, allowing sole practitioners and small firms the space to ask questions and share experiences.

The idea of a regulatory sandbox or a testing environment was mentioned by research participants, and how it could allow testing of new technologies while reducing perceived risks. The SRA plans to carry out some research to understand the potential demand for and benefits of a safe testing environment. As part of this work, it could explore whether such an initiative could help small-sized firms in particular, to test, develop and evaluate innovative or technology-based approaches to the delivery of legal services.

Finally, there was a desire for a simple 'checklist' of factors legal professionals could consider in relation to their professional obligations before adopting technology. Enhancing the SRA's current resources to include more information that highlights to law firms their professional and regulatory obligations would be beneficial. This could also include signposting to external information, such as that already provided by The Law Society.

#### **9.2.4 Wider market, including professional or member bodies**

Some legal professionals described not knowing where to start when deciding what to invest in, including not knowing how to check that a particular technology or innovation has the right functions. There was a desire for a simple 'checklist' of factors legal professionals should consider before adopting technology, making the decision-making process as streamlined as possible. Interestingly, no participants referenced existing resources aimed at supporting small businesses and law firms when procuring products, for example the Law Society checklist.

To support sole practitioners and small firms in their decision-making, the research highlights a desire for a marketplace to compare technological options based on requirements. This could be facilitated by professional or member bodies – along with technology providers or other industry organisations – and could allow small-sized firms to navigate options more easily. Additionally, bodies could encourage collaboration and sharing of options among legal firms through forums or broader networks.

Other actions that could help to support small-sized firms adopt more technology is a list of recommended technology providers, sharing tips on how best to negotiate deals with technology providers, and access to training to support technology use.

Beyond professional or member bodies, there is a desire for impartial advisors who have expertise in both the sector and available products or tools to support delivery of legal services. Support from advisors could include helping firms understand practical applications of technology, which products or tools are best suited to their requirements, and how to ensure value for money during the procurement process.

Furthermore, smaller-sized firms can face particular cost barriers. There is a desire for more grants or similar funding to support adoption, as well as signposting of initiatives that are already available.

# 10 Appendix

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## 10.1 Research methodology

### 10.1.1 Evidence review criteria

We reviewed 27 sources to contribute to our evidence review. This included:

- grey literature (information produced outside of traditional publishing and distribution channels, e.g. reports, policy literature, working papers, newsletters, government documents, speeches, white papers)
- published peer-reviewed research
- literature related to other sectors – in particular dentistry, financial services and vets
- literature pertaining to other jurisdictions – in particular Australia, China, Estonia, UAE, Spain and Singapore
- existing SRA research
- research published no earlier than 2022 in recognition of the fact that technology and innovation develop rapidly.

### 10.1.2 Research materials design

Discussion guides were developed in collaboration with the SRA. By way of stimulus, we created a list of technologies and innovations as a prompt for solicitors during interviews and to ensure we captured insight on the range of technologies and innovations available. This list was as follows:

- AI and automation (e.g. legal research tools like Lexis+AI, tools that automate repetitive processes)
- document management or review software
- identity verification technology (e.g. of clients)
- virtual communication tools
- B2C (client-facing) tools (e.g. live chat/virtual assistant to direct consumer queries)
- custom-built/in-house tools
- anything else felt to represent a new technology or is innovative.

The online survey was also developed in collaboration with the SRA. Based on learnings from the qualitative research, we asked solicitors about their awareness and use of the following technologies:

- online payment processing software (software that enables firms to accept payments online)
- accounting software (software designed to manage day-to-day financial transactions)
- cloud computing (delivery of computing services such as storage and analytics over the 'cloud')
- electronic signatures (a digital form of signing documents)
- artificial Intelligence (AI) automation (the use of machine learning to complete tasks such as contract delivery and reviewing)
- legal chatbots (AI-powered bots that help firms conduct legal research without the need for a human lawyer)
- generative-AI (a subset of AI, including models and tools that can create new content based on input provided by users e.g. for fraud detection, chatbots and triaging client requests)
- client portals (secure online platforms where firms can provide information to clients, or vice versa)
- communication software (tools used to facilitate communication and meetings online)
- case management software (tools to oversee cases and manage all the data generated, including digital dictation, time recording, workflows and dashboards)
- document management and production software (tools to help create documents and create a searchable digital document library)
- customer relationship management (CRM) and marketing tools (to help manage client lists and build relationships with new and existing clients).

### 10.1.3 Qualitative sampling

A sampling specification was agreed at inception of the work. The key considerations for legal professionals were to represent a range of:

- demographics – age, gender, ethnicity
- location – including the North and South of England, and Wales
- role in business – those involved in decision-making for the business
- areas of law practiced – with a focus on those most often practiced by small firms - civil law, family law, conveyancing
- firm size – to include some sole practitioners and some small firms, with turnover of no more than £400,000 annually
- attitudes and experience with tech adoption – to include those more comfortable and more cautious, as well as those who have successfully and unsuccessfully acquired new technology, and those who have not

- claimed barriers – a mix of barriers across cost, time, skillset, awareness and any other emerging barriers.

For technology providers, the key considerations were to represent:

- different tech offerings across relevant areas of practice, and B2C/client vs B2B/internal facing
- different types of tech, e.g. AI, new computing, consulting etc.
- experience selling tech to small firms – most to have a target market of small sized firms.

#### **10.1.4 Quantitative sampling**

Quantitatively, our target audience was the small-sized firms or sole practitioners which make up 48% of the [total firm population](#) (c. 15% - 1,519 - are sole practitioners).

Screening questions were used to ensure we were reaching the target audience. Eligibility criteria included:

- those working within a private practice law firm or as a freelancer
- those working as a sole practitioner or a firm with four or less partners
- those working within England or Wales.

The following factors were used to develop soft quotas for the survey, to be achieved on a best-efforts basis:

- demographics – age, sex, ethnicity
- location – including the North and South of England, and Wales
- role in business – involvement in decision-making for the business
- areas of law practiced – with a focus on those most often practiced by small firms - civil law, family law, conveyancing
- firm size – to include some sole practitioners and some small firms, with turnover of no more than £400,000 annually
- attitudes and experience with tech adoption – to include those more comfortable and more cautious, as well as those who have successfully and unsuccessfully acquired new technology, and those who have not.

#### **10.1.5 Recruitment processes**

During the course of the project, we used multiple methods of recruitment for legal professionals. These were:

- direct email invites from the SRA to c. 4,000 sole practitioners and small firms

- an opt-in link for the qualitative phase included at the end of the quantitative survey to legal professionals
- advertising the research via the SRA's regular newsletter (SRA Update) to solicitors
- list-building through online search to identify 50 technology providers and 50 firms and sole practitioners meeting our criteria, then approaching them via direct email invites (with approval from the SRA team)
- approaching technology providers and solicitors known to the Thinks Insight & Strategy network.

## 10.2 Profile of respondents

The research achieved representation from a broad range of legal professionals and technology providers.

### 10.2.1 Online Survey – legal professionals

**Table 17. Level of responsibility**

	% choosing each option
<b>I have sole decision-making responsibility</b>	31%
<b>I have shared decision-making responsibility</b>	60%
<b>I help inform decision-making but I am not involved in signing off decisions</b>	9%

Data derived from Q3. Base: n=45.

**Table 18. Ethnicity**

	% choosing each option
<b>Asian or Asian British</b>	17%
<b>White</b>	60%
<b>Mixed</b>	2%
<b>Black or Black British</b>	4%

Data derived from Q30. Base: All respondents (n=138).

**Table 19. Place of work**

	% choosing each option
<b>Law firm</b>	90%
<b>Freelance</b>	9%
<b>Other</b>	1%

Data derived from Q1. Base: All respondents (n=138).



**Table 20. Size of Firm**

	% choosing each option
<b>Smaller Firms</b>	30%
<b>Sole Practitioner</b>	64%
<b>Not Applicable</b>	7%

Data derived from Q2. Base: All respondents (n=138).

**Table 21. Location**

	% choosing each option
<b>England</b>	93%
<b>Wales</b>	6%

Data derived from Q4. Base: All respondents (n=138).

**Table 22. Sex**

	% choosing each option
<b>Male</b>	57%
<b>Female</b>	35%
<b>Prefer not to say</b>	9%

Data derived from Q20. Base: All respondents (n=138).

**Table 23. Age**

	% choosing each option
<b>Prefer not to say</b>	12%
<b>65+</b>	17%
<b>55-64</b>	30%
<b>45-54</b>	27%
<b>35-44</b>	13%
<b>25-34</b>	2%

Data derived from Q31. How old are you? Base: all respondents (n=138).

**Table 24. Disability**

	% choosing each option
<b>Yes</b>	7%
<b>No</b>	86%
<b>Prefer not to say</b>	8%

Data derived from Q32. Do you consider yourself to have a disability according to the definition in the Equality Act 2010? Base: all respondents (n=138).

**Table 25. Area of law**

	% choosing each option
<b>Property, landlords</b>	35%
<b>Family, children</b>	29%
<b>Wills, trusts, planning, estates, probates</b>	28%
<b>Crime, immigration</b>	27%
<b>Disputes, litigation</b>	25%
<b>Commercial, IP</b>	21%
<b>Employment, discrimination</b>	16%
<b>Other</b>	10%
<b>Consumer, non-litigation</b>	10%
<b>Personal injury</b>	8%
<b>Finance</b>	7%
<b>Mental health, social welfare</b>	4%

Data derived from Q5. What are the main categories of law that you practice? Base: All respondents (n=138).

Additional questioning related to the firm respondents worked at, found that:

- 95% of respondents indicated that their firm is not an Alternative Business Structure (ABS) (Q6, n=138)
- the majority of legal professionals (71%) stated that their main client base is individual consumers, while 24% mainly serve businesses (Q7, n=138)
- most legal professionals (73%) stated that their firm has been established for over five years, while 26% have been in operation for up to five years (Q8, n=138).

### **10.2.2 Depth interviews – legal professionals**

We spoke to 14 legal professionals, all of whom had either adopted new technology or innovation, or are considering doing so in the future:

- thirteen out of fourteen legal professionals are located in England, whilst one is based in Wales
- a third are female and two thirds are male
- the majority indicated that they are generally comfortable with using technology.

### **10.2.3 Depth interviews – technology providers**

We conducted interviews with eight technology providers who have expertise in AI, new computing, and consulting and upskilling for technologies. This included:

- an even split of tech providers who target both smaller firms and larger firms
- seven out of eight based in England

- an even split of gender
- a range of technology focus, such as:
  - financial crime and litigation
  - consumer services and online dispute resolution
  - performing work and transactions
  - managing and/or performing risk assessment
  - documents and contracts.

## 10.3 Evidence review

### 10.3.1 Types of technology and innovation

We examined wider literature to understand the most prominent types of technology and innovation currently being used in legal services. This included:

#### **Document management software**

Evidence suggests that document management software is considered a key means to improve efficiency within law firms. In some cases, document management technology employs an AI function to allow for automation. The tools here are designed to provide the same service to clients, while consuming less of the legal professional's time. Functions include automated contract drafting and document review. This software could lead to fewer billable hours or freeing up time to spend on other tasks.

#### **Virtual communication tools**

While virtual communication tools are an established norm in many sectors, in the legal sector, using video-conferencing and electronic signatures represents a greater departure from traditional paper-based practices. The LSB refer to this category of innovation as 'technologies for access' within their Technology and Innovation survey (2023) and notes that in legal services, video conferencing and electronic signatures are two of the nine most used technologies – likely as a consequence of the pandemic. Our expert interviewees recognise this technology makes services easier for clients to understand and interact with.

**'Many SME firms were surprised with 'wait we can work like this' [during the COVID-19 lockdown] and some of them have never gone back, some have sold offices.'**

- Legal and Technology Sector Expert

#### **Business-to-client (B2C) tools**

B2C tools refers to technology which is client-facing, more directly improving the consumer experience and improving access to justice. There is an acknowledgement within literature and across experts that consumers are expecting more services to be offered online. Hook and Tanzanga (2019) also note that online legal services are more likely than traditional ones to offer pricing transparency.

Experts see this type of technology as an aid to the running of a legal professional's business, reducing friction and helping them to provide a good service to clients. However,

they also face a concern that some (digitally excluded) consumers won't be ready for this type of technology.

### **Artificial intelligence (AI) automation**

Newer technological trends were also identified, specifically, use of AI automation. As referenced by the British Institute of International Comparative Law (2023) and the SRA's own research on the use of AI in the legal market, (2023), AI has many potential uses in the legal sector, including risk-identification, administration, profiling and text generation. Other use cases raised by our expert interviewees focus on administrative tasks, such as onboarding clients, carrying out anti-money laundering checks and more general business administration.

The literature acknowledges that AI technology is not without its risks (e.g. issues of accuracy, transparency, and privacy), and that more research is needed to identify and understand these better.

There is a consensus among [AI] experts that AI will become a key part of legal practice in the next 10 years and that firms who don't use this could risk falling behind. Legal and technology sector experts indicate they aren't concerned that technology will 'replace solicitors' but tend to believe that it's about finding the right technology to complement the solicitor's role.

**'AI is a topic of conversation today, but it will not be in the next 10 years as it will inevitably be incorporated.'**

- **Legal and Technology Sector Expert**

Research conducted by the SRA (2023) shows three quarters of the largest solicitor firms are adopting new technologies and innovations, specifically, using AI. It's not only the level of adoption that is interesting, but also the pace of change: this has doubled from just three years ago. Similarly, 60% of large firms are exploring the potential of using generative systems; this is lower at 30% for small firms (ibid), showing a difference in either appetite, or adoption for new innovation amongst smaller firms.

### **10.3.2 Drivers to adoption**

There is existing research exploring the drivers to adopting new technology and acceleration of innovation in the legal sector, but less specific insight into motivations among sole practitioners and small firms. A review of evidence in addition to insight from legal experts identified six core drivers:

#### **A desire to increase efficiency**

The adoption of new technology is increasingly recognised as a vital driver of efficiency in the legal sector. According to the SRA (2023), the integration of Artificial Intelligence (AI) enables small legal firms to automate routine tasks and documentation. This innovation appears to significantly enhance overall workflow effectiveness by streamlining operations for legal professionals.

In addition, the LSB (2023) has found that 49% of firms believe technology can reduce the cost of delivering legal services, although it remains uncertain whether these savings will be passed on to clients. Our expert interviews suggest that improved efficiency could be

particularly impactful for sole practitioners and small firms, as limited resources require partners to have greater involvement with administrative functions compared to larger firms.

### **Increased consumer trust in technology**

Rapid growth in technology and digitalisation has led many consumers to feel more confident using technology. Technological advancements in the legal sector are thought to enhance client trust by delivering measurable benefits. This has been recognised in other jurisdictions; for example, the digitalisation of Estonia's legal processes, as referenced by Binley (2024) in *digitising Estonia's judicial systems*, including electronic filing and the implementation of AI judges, is recognised as promoting a transparent legal environment that enriches public confidence in the use of technology in legal services. Additionally, robust regulatory frameworks, such as the General Data Protection Regulation (GDPR) and Organic Law 3/2018, as referenced by CMS Law (2023), reinforce trust in new technologies by ensuring the secure and responsible handling of personal data within law firms.

### **Increased consumer expectations**

Public expectations for efficient, affordable and transparent legal services have significantly increased the demand for the adoption of new technologies within the legal sector. The LSB's Technology and Innovation survey (2023) highlighted that 60% of legal professionals surveyed agree that their clients expect them to use technology.

As we know from other research by Thinks Insight & Strategy, FCA and CMA (2024), consumers often navigate technological solutions with fluency and begin to expect more and more of the services they use to meet their expectations. In previous Corporate Strategy tracking research commissioned by the SRA (2024), technology and innovation was one of the most front of mind topics amongst both legal professionals and opinion leaders when it comes to driving confidence and trust in legal services.

This is also supported by our expert interviews, where increased consumer confidence and trust in using technology means that clients are felt to now have higher expectations when it comes to how legal services are delivered. This is paired with some concerns that legal professionals aren't as aware of this as they should be.

### **Ensuring greater access**

Driven by macro trends such as changes emerging as a result of the COVID-19 pandemic, many firms have implemented 'technologies for access', as referenced by the LSB (2023), which facilitate greater accessibility to legal services through online platforms. Law firms are utilising these technologies to promote flexibility for both clients and employees by offering online and in-person consultations, while also fostering a flexible work environment and improving data management systems that allow lawyers to access client files remotely as referenced by PracticeEvolve (2024) in their research on the Australian legal tech landscape.

This trend accelerated during the COVID-19 pandemic, with 94% of firms reporting enhanced responsiveness to client needs due to these technological advancements as referenced by the LSB (2023). Additionally, our legal expert interviewees suggested that technology may have a role to play in guiding and advising consumers who may be less typically able to access legal services.

### **Internal structures**

Despite the perception that regulation may be a barrier to adopting technology within smaller firms, there is some evidence that smaller firms can adopt new products more quickly. The LSB's Technology and Innovation survey (2023) found that firms with fewer than ten

employees were less likely to see internal governance as a constraint (16%) compared to medium to large firms (24%), so this suggests that there may be some advantages to having smaller, less complex internal structures when it comes to integrating new technology.

One expert believed that the regulatory burden on small firms might be less than on larger ones – although this was framed from a financial services perspective and perceptions of risk may be different in legal services.

**‘Smaller is usually nimbler. The people more likely to drive tech revolution are smaller firms who are not bound by governance processes and the bureaucracy associated. SMEs usually just focus on solving a niche problem.’**

- Legal and Technology Sector Expert

## **Funding**

New technologies in the legal sector can be expensive, which creates financial barriers for small and medium-sized law firms to invest in these tools. Third-party funding is important for many firms.

One of our experts referenced the United States as a jurisdiction with better third-party funding for technology and innovation than England and Wales, including government schemes and a wider market for investing in technology solutions. Mostly, the experts we engaged with felt that financial support is very much needed, and that smaller firms are less well resourced than larger ones when it comes to technology and innovation.

**‘Where there are government initiatives that are aiming to support legal services, it would be really helpful if they had identified the strands of work that help it cross the ecosystem and not just the super lucrative end of the market [such as B2B]’.**

- Legal and Technology Sector Expert

### **10.3.3 Barriers to adoption**

There is existing research exploring the barriers to adopting new technology in the legal sector, but less specific insight into the experiences among sole practitioners and small firms. A review of evidence in addition to insight from legal experts identified five core barriers:

#### **A lack of knowledge, confidence and skills**

The LSB’s Technology and Innovation survey (2023) identified perceived risks relating to using unproven technology, and a lack of IT expertise within firms, as the most common constraints (across firms of solicitors and barristers’ chambers) when it comes to adopting new technology. It is possible that these constraints are more pronounced for small firms, in which the pressures on individuals, and the tight margins, might allow less room for trial and error. It might also be the case that while some larger firms can partner with lawtech providers or create internal teams to onboard lawtech, smaller firms are likely to lack the capacity to do so.

The LSB’s research (ibid) also found that firms with less than ten employees place less importance on training staff on how to develop ideas for new services (65%) compared to medium-large firms (73%), so there may be other factors at play which hold back the ability of small firms to be innovative. It also found that these firms are less likely to consider lack of

information on available technology as a constraint (17%) compared to medium or large firms (29%).

### **Culture and mindset**

There is a sense that some firms and sole practitioners may simply be resistant to change – particularly those owned by partners who may be due to retire soon and therefore hesitant to invest in new technology.

The Law Society's and the LSB's (2024) survey of solicitors in England and Wales (including sole practitioners and small firms, as well as larger firms) found that less than half of solicitors agree with the statement that 'most technologies are effective at what they are designed to do'. The LSB's research of social acceptability of technology in legal services (2022) also note that legal professionals are likely to underestimate the public's appetite for technology in legal services. This illustrates a mindset that could be characterised as hesitant or risk averse. The Law Society (2023) states that '*for legal professionals to adopt these new ways of working it may take a profound change in mindset*'. In its Risk Outlook report (2023) the SRA refers to the concern that solicitors have that AI could in some way replace humans, stating that this concern seems to ease with increased experience. This is further supported by our legal and technology sector expert interviews.

**'Change is very difficult to manage and implement and it takes a lot to give up a certain aspect of what they do to a piece of technology.'**

- Legal and Technology Sector Expert

### **Regulatory and compliance concerns**

The SRA's Risk Outlook report (2023) identifies uncertainty around regulation as a particularly relevant barrier amongst sole practitioners and small firms, with solicitors uncertain how to make sure they're compliant when using automation in their work. A think piece by lawtech provider Luminance (2022) describes how wider regulation, such as GDPR, can lead to uncertainty around how technology can be used for data-handling in some jurisdictions.

While our research also found that regulation is often perceived to be a barrier to adoption, this often related to a lack of confidence about whether products or tools complied with existing regulations. There is some chance that smaller firms are overrepresented in this group as they may have less resource to investigate how technology products comply with various regulations.

### **Financial constraints**

The LSB (2023) found that of those legal services providers who had introduced new or improved services using technology, most found that it cost the same or less than they expected. In fact, seven in ten reported reduced costs of service delivery, so financial barriers are by no means the greatest barrier – or at least any concerns about cost are not necessarily being realised.

However, it's possible that cost, or perceptions of cost compared to benefit, is a more significant barrier for smaller firms. Additionally, these findings from the LSB (2023) research are from those who have successfully integrated new technology, rather than those who have not.

Our expert interviews suggest that financial resource is a significant consideration for firms when deciding to take up new technology, and that small firms and sole practitioners may be less able or willing to make this investment compared to larger firms, which could further drive apart their ability to be competitive.

### **Difficulty with integration**

The legal and technology sector experts interviewed raised the issue that firms can feel 'locked in' to using a specific technology they have chosen to adopt, because different products or tools cannot always be integrated together, so one choice can limit options later on. This lack of flexibility and interoperability can be a barrier to adopting new technology, and a difficult hurdle to jump when deciding which product or tool to commit to. This is particularly true of products that require firms to commit for a certain period of time.

### **10.3.4 Impact of adoption**

Broadly, the literature reflects positive experiences and outcomes of the adoption of new technology and innovation in legal services, although these are limited in their reach with many firms only dipping a toe into what is possible and smaller firms often still missing from the evidence.

Ultimately, a lack of adoption was considered to pose risks for sole practitioners and small firms. If this audience are unable to keep pace with technology and innovation adoption (as well as evolving client demands related to this), they risk losing a competitive edge and facing economic constraints, with wider implications for access to justice.



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## 10.5 Online Questionnaire

### **SRA | Sole practitioners and smaller firms use of technology and innovation**

#### Research objectives

We conducted a bespoke 10-minute online survey with sole practitioners and small-sized firms. The purpose was to support the SRA in prioritising the barriers that may need more focus and information in future, and those which are perhaps less of a priority.

Specifically, we looked to further understand the following about practitioners:

- The level of interest and perceived likelihood of adoption of different new technologies and innovations
- The prevalence and scale of barriers to adopting technology and innovation, and how these could be overcome
- Which demographics are more likely to experience these barriers, such as types of law, size of practice, location, and skills
- The benefits, awareness, and support available to sole practitioners and small firms to engage with innovation
- To identify best practice to help practitioners adopt technology and innovation.

#### **Copy of Questionnaire** (without administrator instructions shown)

##### About this survey

The Solicitors Regulation Authority (SRA) wants to understand small firms' and sole practitioners' experiences with technology and innovation. Your insights will help the SRA understand how to best support future technology adoption and innovation within the profession.

The SRA have commissioned Thinks Insight & Strategy, an independent research agency, to conduct the research.

Survey completion time: approximately 10 minutes

Please answer all the questions on behalf of your practice or firm.

Please feel free to respond openly – all responses will remain anonymous and will not be linked to you or your firm. The findings will be reported at the aggregate level only.

By completing the survey questions, you are consenting to the collection and processing of your data for research purposes. You can find out more about how we handle your data here: <https://www.thinksinsight.com/privacy>.

As a thank you for taking part, we will send you a summary report at the end of the research which will summarise our key findings. Note this is optional and you will be given the opportunity to share your email address at the end of the survey.

Thank you for your interest in taking part in this survey.

## Screening questions

Question wording	
<b>About you</b>	
1.	<p>Which of the following best describes where you work?</p> <ol style="list-style-type: none"> <li>1. Law firm (private practice)</li> <li>2. Central or local government [screen out]</li> <li>3. Legal department within an organisation (in-house) [screen out]</li> <li>4. The Crown Prosecution Service [screen out]</li> <li>5. Law centre [screen out]</li> <li>6. Freelance</li> <li>7. Other, please specify [open]</li> <li>8. None of the above [screen out]</li> </ol>
2.	<p>How many partners are there at the practice you work for?</p> <ol style="list-style-type: none"> <li>1. I am a sole practitioner</li> <li>2. 1 partner</li> <li>3. 2 partners</li> <li>4. 3 partners</li> <li>5. 4 partners</li> <li>6. 5-10 partners</li> <li>7. 10+ partners</li> <li>8. Don't know</li> </ol>
3.	<p>How would you describe your level of responsibility for adopting new technology within your firm?</p> <p>Please indicate the level of responsibility you <u>would</u> have, even if your firm hasn't made these types of decisions before.</p> <ol style="list-style-type: none"> <li>1. I have sole decision-making responsibility</li> <li>2. I have shared decision-making responsibility</li> <li>3. I help inform decision-making but I am not involved in signing this off</li> <li>4. I am not involved in decision-making at all</li> <li>5. Don't know [screen out]</li> <li>6. None of the above [screen out]</li> </ol>
4.	<p>Where is the practice that you own/work for based?</p> <ol style="list-style-type: none"> <li>1. London</li> <li>2. South East England (excluding London)</li> <li>3. South West England</li> <li>4. East Midlands</li> <li>5. West Midlands</li> <li>6. North East England</li> <li>7. North West England</li> <li>8. East of England</li> <li>9. Yorkshire and the Humber</li> <li>10. North Wales</li> <li>11. South West Wales</li> </ol>

	12. South East Wales (including Cardiff) 13. Mid and West Wales 14. Welsh Valleys 15. Other [specify]	
5.	What are the main categories of law that you practise?  1. Arbitration and alternative dispute resolution 2. Bankruptcy/Insolvency 3. Children 4. Commercial/corporate work for listed companies 5. Commercial/corporate work for non-listed companies 6. Consumer 7. Criminal 8. Debt collection 9. Discrimination/civil liberties/human rights 10. Employment 11. Family/matrimonial 12. Financial advice and Services (regulated by FCA) 13. Financial advice and services (regulated by the SRA) 14. Immigration 15. Intellectual property 16. Landlord and tenant (Commercial and Domestic) 17. Litigation - other 18. Mental health 19. Non-litigation (other) 20. Personal injury 21. Planning 22. Probate and estate administration 23. Property - residential 24. Property commercial 25. Social welfare 26. Wills, trusts and tax planning 27. Other [specify] 28. Prefer not to say	
6.	Is your firm an Alternative Business Structure (ABS)?  1. Yes 2. No 3. Don't know	
7.	What is your firm's main client base?  1. Individual consumers 2. Vulnerable consumers or hard-to-reach groups 3. Small or medium-sized businesses / firms 4. Large businesses / firms 5. Public bodies 6. Charities/NGOs 7. Other [please specify]	

8.	How long has your firm been established for?	
	<ol style="list-style-type: none"> <li>1. Less than 6 months</li> <li>2. 6 months – 1 year</li> <li>3. 2-3 years</li> <li>4. 4-5 years</li> <li>5. 6-10 years</li> <li>6. 11-15 years</li> <li>7. More than 15 years</li> <li>8. Don't know</li> </ol>	

## Core survey

	Question wording	
<p><b>Awareness of and engagement with technology and innovation</b></p> <p>This survey will focus on technology and innovation. Please read the definitions below:</p> <p>Legal technology refers to technologies that aim to support, supplement, or replace traditional methods for delivering legal services, such as document review tools, chatbots and artificial intelligence (AI).</p> <p>Innovation is designed as significantly improving existing services or introducing new ones (product innovation), enhancing the delivery of services (delivery innovation), or improving how services are marketed (marketing innovation). Importantly, not all innovations require investment in new legal technology, although some do.</p>		
9.	<p>Has your current firm introduced any technology or innovations to support you in your delivery of legal services in the last 5 years?</p> <ol style="list-style-type: none"> <li>1. Yes</li> <li>2. No – but we have considered this previously/are considering doing so in the future</li> <li>3. No – and we are not considering this for the future</li> <li>4. Don't know</li> </ol>	
10.	<p>What technology and/or innovation has your firm introduced within the last 5 years?</p> <p>[open text]</p>	
11.	<p>Which of the following non-tech innovations has your firm introduced in the last 5 years?</p> <p><i>Please select all that apply.</i></p>	

	<ol style="list-style-type: none"> <li>1. Streamlined or changed in-house workflows</li> <li>2. Offering alternative fee arrangements</li> <li>3. Offering services in different locations</li> <li>4. Interdisciplinary / cross-industry collaboration</li> <li>5. Offering alternative dispute resolutions</li> <li>6. Identifying a new client base</li> <li>7. Use of new marketing channels</li> <li>8. Other [specify]</li> <li>9. None of the above</li> <li>10. Don't know</li> </ol>	
<p>Product innovation = options 1, 2, 5          Delivery innovation = options 3, 4          Marketing innovation = options 6, 7</p>		
12.	<p>Which of the following legal technologies are you aware of and/or currently using at your firm?</p> <p><i>Statements:</i></p> <ol style="list-style-type: none"> <li>1. Online payment processing software (software that enables firms to accept payments online)</li> <li>2. Accounting software (software designed to manage day-to-day financial transactions)</li> <li>3. Cloud computing (delivery of computing services such as storage and analytics over the 'cloud')</li> <li>4. Electronic signatures (a digital form of signing documents)</li> <li>5. Artificial Intelligence (AI) automation (the use of machine learning to complete tasks such as contract delivery and reviewing)</li> <li>6. Legal chatbots (AI-powered bots that help firms conduct legal research without the need for a human lawyer)</li> <li>7. Generative-AI (a subset of AI, including models and tools that can create new content based on input provided by users)</li> <li>8. Client portals (secure online platforms where firms can provide information to clients, or vice versa)</li> <li>9. Communication software (tools used to facilitate communication and meetings online)</li> <li>10. Case management software (tools to oversee cases and manage all the data generated, including digital dictation, time recording, workflows and dashboards)</li> <li>11. Document management and production software (tools to help create documents and create a searchable digital document library)</li> <li>12. Customer relationship management (CRM) and marketing tools (to help manage client lists and build relationships with new and existing clients)</li> </ol> <p><i>Scale:</i></p> <ol style="list-style-type: none"> <li>a) Using at our firm</li> <li>b) Heard of and considering using</li> <li>c) Heard of but not considering using</li> <li>d) Not aware of this technology</li> <li>e) Don't know</li> </ol>	

13.	<p>When did your firm introduce this technology or innovation?</p> <p>Scale:</p> <ul style="list-style-type: none"> <li>a) Within the last 3 months</li> <li>b) 3-6 months ago</li> <li>c) 7-12 months ago</li> <li>d) 1-2 years ago</li> <li>e) 3-4 years ago</li> <li>f) 5 or more years ago</li> <li>g) Don't know</li> </ul>	
14.	<p>Has your firm introduced any of the following technologies or innovations in the last 5 years but is <u>no longer using it</u>?</p> <ul style="list-style-type: none"> <li>1. Online payment processing, accounting software or alternative fee arrangements</li> <li>2. Cloud computing</li> <li>3. Artificial Intelligence (AI) automation or Gen-AI</li> <li>4. Legal chatbots</li> <li>5. Client portals</li> <li>6. Communication software</li> <li>7. Case management or workflow changes</li> <li>8. Document management and production, or electronic signatures</li> <li>9. Customer relationship management (CRM) or marketing</li> <li>10. Other [specify]</li> <li>11. None of the above</li> <li>12. Don't know</li> </ul>	
15.	<p>What were the reasons your firm stopped using this technology or innovation?</p> <p><i>Please select all that apply.</i></p> <ul style="list-style-type: none"> <li>1. Cost</li> <li>2. Lack of consumer appetite</li> <li>3. Not fit for internal processes</li> <li>4. Difficult to use</li> <li>5. Difficulty integrating it with other technologies used already</li> <li>6. Lack of confidence amongst staff using it</li> <li>7. Lack of knowledge on how to successfully implement it</li> <li>8. Lack of technical skills</li> <li>9. Limited access to training and support</li> <li>10. Regulatory and compliance concerns</li> <li>11. Issues around data security, e.g. a data breach</li> <li>12. Other [specify]</li> <li>13. Don't know</li> </ul>	



### Drivers to using technology and innovation

16.	<p>Which of the following motivated you to start using new technology and innovations in your firm?</p> <p>Please select the <u>top 3</u> factors.</p> <ol style="list-style-type: none"> <li>1. Desire to increase efficiency</li> <li>2. Desire to increase productivity</li> <li>3. Increased confidence in using technology</li> <li>4. Increased consumer demand for online services</li> <li>5. Improved client services</li> <li>6. Available funding e.g. from the Government</li> <li>7. Better ability to identify and manage associated risks</li> <li>8. Regulatory support and/or guidance</li> <li>9. Motivation to remain competitive in the legal market</li> <li>10. Other [specify]</li> <li>11. None of the above</li> <li>12. Don't know</li> </ol>	
17.	<p>How did you identify or find the technology you decided to implement?</p> <ol style="list-style-type: none"> <li>a) Doing research online about different products/services, e.g. using a search engine</li> <li>b) Talking to colleagues at my firm</li> <li>c) Talking to other solicitors</li> <li>d) Seeing what competitor firms were using</li> <li>e) Approached by tech provider</li> <li>f) Other [specify]</li> <li>g) Don't know</li> <li>h) I wasn't involved in this decision</li> </ol>	
18.	<p>To what extent do you agree or disagree with the following statements?</p> <p>Statements:</p> <ol style="list-style-type: none"> <li>1. I think it's important that my practice keeps pace with innovation and technology changes</li> <li>2. I am worried about investing in technology or innovation that doesn't meet my needs</li> <li>3. I am worried about investing in technology that quickly becomes outdated or non-compliant</li> <li>4. A lack of technology and innovation may lead to issues recruiting and retaining staff</li> <li>5. Technology and innovation will help the sector provide better value to clients</li> <li>6. Technology and innovation will support access to justice for consumers</li> <li>7. Most legal technologies are effective at what they are designed to do</li> </ol>	

	Scale: a) Strongly agree b) Somewhat agree c) Somewhat disagree d) Strongly disagree e) Don't know	
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### Barriers to using technology and innovation

Now, we'd like you to consider some of the barriers to adopting new technologies or innovations.

19.	<p>Which of the following barriers have prevented you from adopting the following technology or innovations in your practice?</p> <p><i>Please select all that apply.</i></p> <p>Statements:</p> <ul style="list-style-type: none"> <li>a) Online payment processing, accounting software or alternative fee arrangements</li> <li>b) Cloud computing</li> <li>c) Artificial Intelligence (AI) automation or Gen-AI</li> <li>d) Legal chatbots</li> <li>e) Client portals</li> <li>f) Communication software</li> <li>g) Case management or workflow changes</li> <li>h) Document management and production, or electronic signatures</li> <li>i) Customer relationship management (CRM) or marketing innovations</li> </ul> <p>Options:</p> <ul style="list-style-type: none"> <li>1. Cost</li> <li>2. Risks of a data breach or lack of data protection compliance e.g. GDPR</li> <li>3. Time constraints</li> <li>4. Lack of confidence</li> <li>5. Lack of knowledge and/or skills</li> <li>6. Concerns about quality and reliability of technology</li> <li>7. Concerns about regulation or compliance</li> <li>8. Concerns about integration with existing technology or processes</li> <li>9. Limited access to training and support</li> <li>10. Uncertainty about return on investment</li> <li>11. Concerns about how use of technology/innovations could impact client trust</li> <li>12. Other [specify]</li> <li>13. None of the above</li> <li>14. Don't know</li> </ul>	
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20.	<p>Which of the following do you consider the <u>biggest</u> barrier to adopting technology and innovation?</p> <p>[Use options at Q19]</p>	
<p><b>Experience using technology</b></p>		
21.	<p>Overall, what has been your experience of identifying and introducing new technology or innovation into your company?</p> <ol style="list-style-type: none"> <li>1. Finding the right technology or innovation to meet my needs</li> <li>2. Implementing technology or innovation into current systems and work streams</li> <li>3. Upskilling and training your team on using new technology or innovation</li> <li>4. Providing information to clients on your use of new technology or innovation</li> <li>5. Supporting clients in using technology</li> <li>6. Evaluating the impact and use of the technology or innovation</li> </ol> <p>Scale:</p> <ol style="list-style-type: none"> <li>a) Extremely difficult</li> <li>b) Fairly difficult</li> <li>c) Fairly easy</li> <li>d) Extremely easy</li> <li>e) Don't know</li> <li>f) Not applicable</li> </ol>	
22.	<p>What have been the key benefits of the technology and/or innovation you use in your firm?</p> <p><i>Please select all that apply.</i></p> <ol style="list-style-type: none"> <li>1. Reduced administrative work</li> <li>2. Increased efficiency</li> <li>3. Better engagement with clients</li> <li>4. Increased transparency for client</li> <li>5. Increased profitability for the firm</li> <li>6. Reduced costs for clients</li> <li>7. Improved data security</li> <li>8. Increased productivity</li> <li>9. Increased demand of services</li> <li>10. Other [open]</li> <li>11. Don't know</li> </ol>	

23.	<p>How would you describe your and your colleagues' level of confidence in using technology or innovation in your practice?</p> <p>Options:</p> <ol style="list-style-type: none"> <li>1. You personally</li> <li>2. Your colleagues within your firm</li> <li>3. Other sole practitioners</li> </ol> <p>Scale:</p> <ol style="list-style-type: none"> <li>a) Not at all confident</li> <li>b) Fairly unconfident</li> <li>c) Neither confident nor unconfident</li> <li>d) Fairly confident</li> <li>e) Very confident</li> <li>f) Don't know</li> </ol>	
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#### Future adoption of technology and innovation

24.	<p>How likely, if at all, are you to introduce new technology or innovations in your practice <u>within the next 12 months</u>?</p> <ol style="list-style-type: none"> <li>1. Very likely</li> <li>2. Somewhat likely</li> <li>3. Neither likely nor unlikely</li> <li>4. Somewhat unlikely</li> <li>5. Very unlikely</li> <li>6. Don't know</li> </ol>	
25.	<p>Which of the following (if any) would you consider adopting <u>within the next 12 months</u>?</p> <ol style="list-style-type: none"> <li>1. Online payment processing, accounting software or alternative fee arrangements</li> <li>2. Cloud computing</li> <li>3. Artificial Intelligence (AI) automation or Gen-AI</li> <li>4. Legal chatbots</li> <li>5. Client portals</li> <li>6. Communication software</li> <li>7. Case management or workflow changes</li> <li>8. Document management and production, or electronic signatures</li> <li>9. Customer relationship management (CRM) or marketing innovations</li> <li>10. Other [specify]</li> <li>11. None of the above – I don't want to adopt new technology or innovations in the next 12 months</li> <li>12. Don't know</li> </ol>	

26.	<p>Which of the following would be the most useful for your firm to adopt?</p> <p><i>Please select a <u>maximum of 3</u>.</i></p> <ol style="list-style-type: none"> <li>1. Online payment processing, accounting software or alternative fee arrangements</li> <li>2. Cloud computing</li> <li>3. Artificial Intelligence (AI) automation or Gen-AI</li> <li>4. Legal chatbots</li> <li>5. Client portals</li> <li>6. Communication software</li> <li>7. Case management or workflow changes</li> <li>8. Document management and production, or electronic signatures</li> <li>9. Customer relationship management (CRM) or marketing innovations</li> <li>10. Other [specify]</li> <li>11. None of the above</li> <li>12. Don't know</li> </ol>	
27.	<p>Which of the following would you need in order to adopt new technology or innovation <u>within the next 12 months</u>?</p> <p>Please select <u>up to three</u> that you feel would have the most impact on your ability to adopt.</p> <ol style="list-style-type: none"> <li>1. Funding to support adoption e.g. from the Government</li> <li>2. Regulatory support e.g. further information and guidance on use of technology</li> <li>3. Clear information on compliance with data protection requirements</li> <li>4. Greater transparency of pricing models</li> <li>5. Case studies to show proof of success among other firms</li> <li>6. Trial periods to test use of new products/services</li> <li>7. Increased access to training and upskilling</li> <li>8. Clear demand from consumers</li> <li>9. Other [specify]</li> <li>10. None of the above – I don't want to adopt new technology in the next 12 months</li> <li>11. Don't know</li> </ol>	
28.	<p>What one thing could the SRA do to support you in the adoption of technology and innovation in the future?</p> <p>[open text]</p>	

## Profiling questions

Question wording	
<p><b>Final questions</b></p> <p>Thanks for your responses. We have a final few questions to help us understand your experiences in more detail.</p>	
29.	<p>What is your sex?</p> <ol style="list-style-type: none"> <li>1. Male</li> <li>2. Female</li> <li>3. Other preferred description [please specify]</li> <li>4. Prefer not to say</li> </ol>
30.	<p>Which of the following best describes your racial or ethnic identity?</p> <ol style="list-style-type: none"> <li>1. Asian or Asian British               <ol style="list-style-type: none"> <li>a) Bangladeshi</li> <li>b) Chinese</li> <li>c) Indian</li> <li>d) Pakistani</li> <li>e) Any other Asian background</li> </ol> </li> <li>2. Black or Black British               <ol style="list-style-type: none"> <li>a) African</li> <li>b) Caribbean</li> <li>c) Any other Black background</li> </ol> </li> <li>3. Mixed               <ol style="list-style-type: none"> <li>a) White and Asian</li> <li>b) White and Black African</li> <li>c) White and Black Caribbean</li> <li>d) Any other mixed ethnicity background</li> </ol> </li> <li>4. White               <ol style="list-style-type: none"> <li>a) British / English / Scottish / Welsh / Irish</li> <li>b) Gypsy or Irish Traveller</li> <li>c) Roma</li> <li>d) Any other White background</li> </ol> </li> <li>5. Other ethnic group               <ol style="list-style-type: none"> <li>a) Arab</li> <li>b) Any other ethnic group</li> </ol> </li> <li>6. Prefer to self-describe [open code]</li> <li>7. Prefer not to say</li> </ol>

31.	<p>How old are you?</p> <ul style="list-style-type: none"> <li>a) 18-24 years</li> <li>b) 25-34 years</li> <li>c) 35-44 years</li> <li>d) 45-54 years</li> <li>e) 55-64 years</li> <li>f) 65+ years</li> <li>g) Prefer not to say</li> </ul>
32.	<p>Do you consider yourself to have a disability according to the definition in the <u>Equality Act 2010</u>?</p> <p><i>The Equality Act 2010 defines a disabled person as someone who has a mental or physical impairment that has a substantial and long-term adverse effect on the person's ability to carry out normal day-to-day activities. If you have a condition which fits the Equality Act definition, please tick 'Yes' even if you are not limited by your condition.</i></p> <ul style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> <li>c) Prefer not to say</li> </ul>
33.	<p>As part of this research, we are interested in speaking to legal professionals about their experiences using technology and innovation. This would involve a 45 minute to 1 hour interview with an experienced researcher to explore your views and experiences in more detail.</p> <p>Interviews would take place online, via phone or in person depending on your preferences, and would be scheduled at a time that suited you between now and mid-January.</p> <p>Would you be interested in taking part in further research on this topic in the form of an interview?</p> <ul style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> </ul>
34.	<p>Thank you for expressing your interest in taking place in follow-up research. Please confirm your details below and a member of the research team will be in touch.</p> <p>Full name: [OPEN TEXT] Email address: [OPEN TEXT]</p>
35.	<p>As a thank you for taking part, at the end of the research we will be sharing a report summarising our findings.</p> <p>If you would like to opt in to receiving this survey, please type your email address below. Note this is optional and that your contact details will not be shared with anyone outside of the team working on this research. [OPEN TEXT]</p>

Thank you for taking part in the survey.