

Legal Services - UK - May 2021

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This report looks at the following areas:

While COVID-19 caused significant disruption to the legal services market in 2020, the sector has shown a relatively robust performance and the turnover of the UK legal services industry remained unchanged at £36.7 billion. However, the overall positive performance in 2020 masks significant variations across practice areas and type of firm. As such, while the majority of City firms have shown resilience, many regional firms reported a drop in revenue.

While the legal services sector has been slow to adopt digital transformation compared to other industries, COVID-19 has accelerated the digitalisation of the sector. The importance of IT and digital technologies came to the fore at the start of crisis, with those firms that had already built strong digital capabilities able to adapt quickly and demonstrate resilience during the crisis.

Legal services providers will continue to face competitive pressures, driven by the growth in alternative legal services providers (ALSPs), new entrants, rapidly evolving technology, new business models, changing client buying patterns, and new working practices. The legal services sector is also becoming more complex as law firms, ALSPs and technology firms compete and collaborate.

Technology adoption and innovation will play a key role in ensuring that firms thrive in an ever-changing environment. Corporate clients will continue to squeeze margins, while demanding faster turnaround times and greater use of innovation, which means that legal services firms need to embrace ongoing innovation and take advantage of emerging technologies.

Key issues covered in this Report

- **The impact of COVID-19 on the legal services sector**
- **How the market is expected to develop over the next five years**
- **Lawtech adoption in the legal services sector**
- **How providers are responding to evolving consumer demands and increased competition**



“Technology adoption and innovation will play a key role in ensuring that legal services firms thrive in an ever-changing market landscape.”

Claudia Preedy, Senior B2B Analyst

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