

Businesses Turn Elsewhere for Their Legal Needs



Summary: *Big businesses are searching for other places to receive their legal needs instead of big law firms because of high costs and lack of quality.*

Sometimes change is good. Sometimes change is necessary. Big businesses are figuring this out when it comes to their legal needs.

The usual list of complaints against law firms is long and seems to go on forever. The excessive cost and rates, budget unpredictability, deficiencies in processes and IT, overstaffing, and the lack of knowledge regarding the businesses needs are just some of the complaints.

See [Largest Law Firm Bankruptcy in History](#) to learn about one law firm that failed.

With so many complaints against them, it would seem like law firms would be responding and addressing the issues, but they aren't. Why is that? Law firms don't need to. There hasn't been a financial consequence forcing them to change yet, so businesses are putting the pressure on the law firms.

Mark A. Cohen in his Forbes article "Legal Buyers Are Kicking Old Habits" explains that legal consumers are putting the pressure on law firms for change by "reducing the rosters of outside firms; negotiating substantial discounts; engaging in reverse auctions, requests for proposal, and even eBay-style bidding; ceding certain legal busy decisions to procurement departments; taking more work in-house; outsourcing more – and increasingly complex – work to service providers; creating internal legal operations units; and building, buying, or licensing software that mines data to reduce cost and improve outcomes."

Read [Law Firm Top Hourly Rates Reaching \\$2,000](#) to learn more about high law firm billing rates.

One big way legal consumers are changing the legal industry is by solving problems themselves. In-house legal departments make up around 40 percent of the total legal spending. Law firm services have been flat for the past three years, but the volume and spending on legal work has risen because in-house departments are picking up in demand.

Do you think big businesses will continue to use their own in-house legal teams to get their legal work done? Tell us in the comments below.

To learn more about legal trends, read [Presence of Robots in Legal Industry Growing](#).

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