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The 2024 Survey on Law Firm Technology

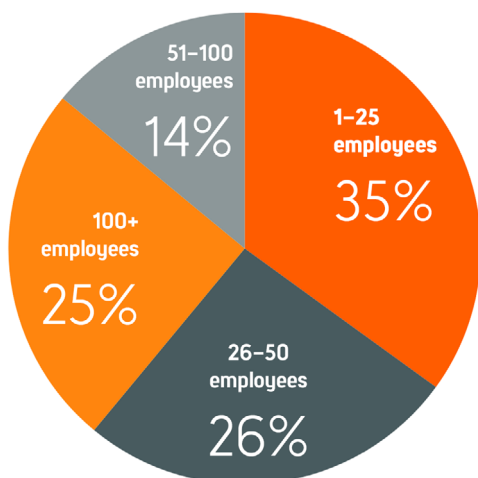
INTRODUCTION

To say law firms are facing a period of technological change is something of an understatement. From hybrid workplaces and cybersecurity threats to the looming opportunities and challenges posed by artificial intelligence, legal leaders are grappling with a series of seismic shifts that may fundamentally change the legal business model.

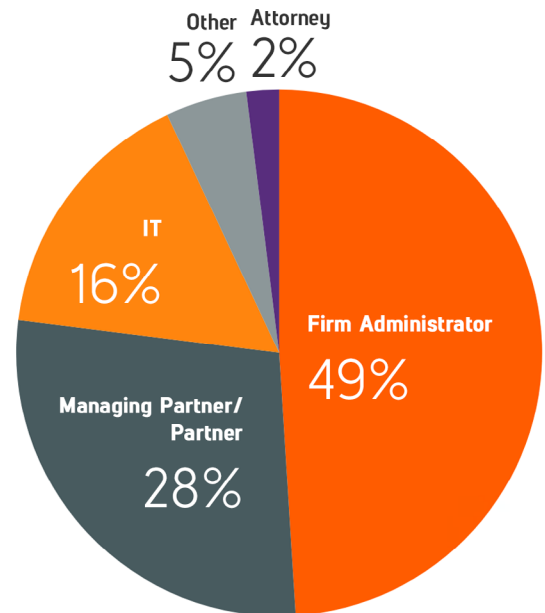
Tabush Group’s 2024 Survey on Law Firm Technology uncovers how firms are managing these changes and provides meaningful insights and benchmarking data to help law firm leaders make critical IT decisions in an age of near-constant change.

Conducted in late 2023, the survey was open to managing partners, partners, firm administrators, executive directors, operations managers, and other attorneys and staff with technology-related responsibilities. We received responses from more than 120 law firm leaders, who answered nearly two-dozen questions about issues ranging from cybersecurity and IT management priorities to the use of the cloud and the impact of artificial intelligence. Unlike many legal technology surveys that focus almost exclusively on large, global, or national firms, more than 50% of our respondents hail from law firms with fewer than 50 people, giving our survey a unique perspective on an often-overlooked segment of the legal marketplace.

Respondents by Firm Size

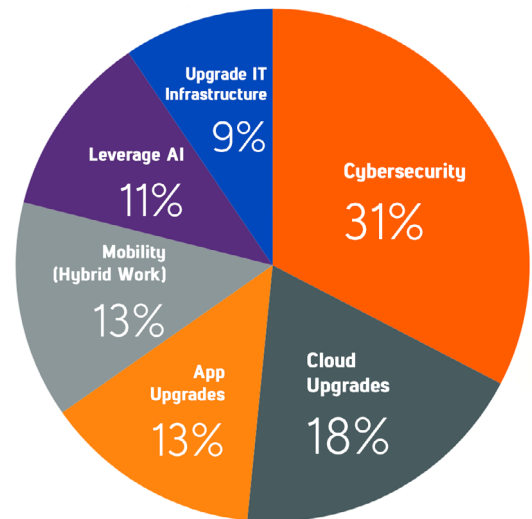


Who Responded?



SUMMARY OF KEY FINDINGS

What’s Your Firm’s Top IT Priority for 2024?



The following findings from our research stood out:

- **Cybersecurity remains front and center.** Cybersecurity is the top IT priority for law firms in 2024, according to the survey, and it also remains at the top of the list of technology problems. Phishing, compromised emails, end-user errors, and social engineering are among the most pressing cybersecurity concerns firm leaders and administrators predict for the year ahead.

- **Firms are confident but are maintaining spending on security.** While the number and variety of attacks have multiplied, the vast majority of firm leaders and administrators told us they are feeling confident about their ability to fight back against cyber criminals. That said, just 4% of firms expect to decrease spending on cybersecurity, and more than two-thirds are stepping up education and training of employees to help prevent them from falling victim to attacks. Meanwhile, amid price increases and more stringent terms from insurers, firms said they are unlikely to revise or upgrade their cyber insurance policies.
- **AI gains traction—but has much room to improve.** Nearly half of firms said they are deploying artificial intelligence, but more than 60% of respondents said AI tools have yet to improve productivity and efficiency at their firms. A lack of understanding of the technology, quality and accuracy issues, and regulatory and ethical concerns are the chief barriers to increasing use of AI tools, respondents said.
- **IT outsourcing rises at large firms.** Firms with more than 100 attorneys and staff saw the strongest outsourcing growth this year, with 60% now fully or partially outsourcing IT management, up from 52% in 2023. Across the board, nearly 8 in 10 law firms said they are outsourcing some or all of their IT management.



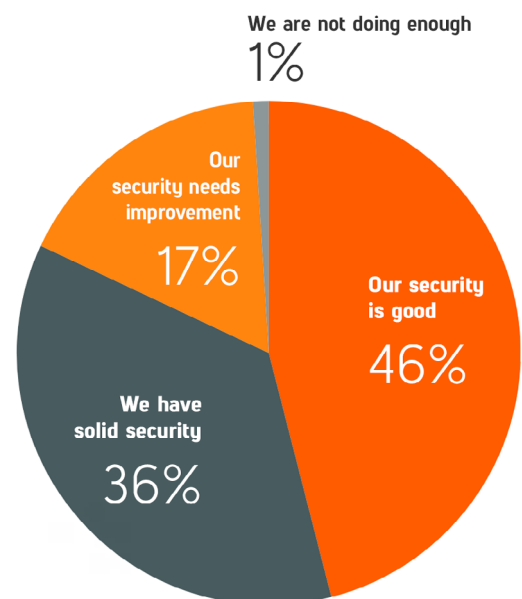
Across the board, nearly **8 in 10 law firms** said they are outsourcing some or all of their IT management.

- **The cloud makes progress.** Security worries remain the most-cited obstacle to firms fully transitioning to the cloud. However, these concerns—often misplaced—appear to be waning as hybrid work creates greater demand for mobility and accessibility, and reputable cloud service providers demonstrate continued success in protecting firms’ data.

CYBERSECURITY: FIGHTING BACK IN AN AGE OF INCREASING RISK

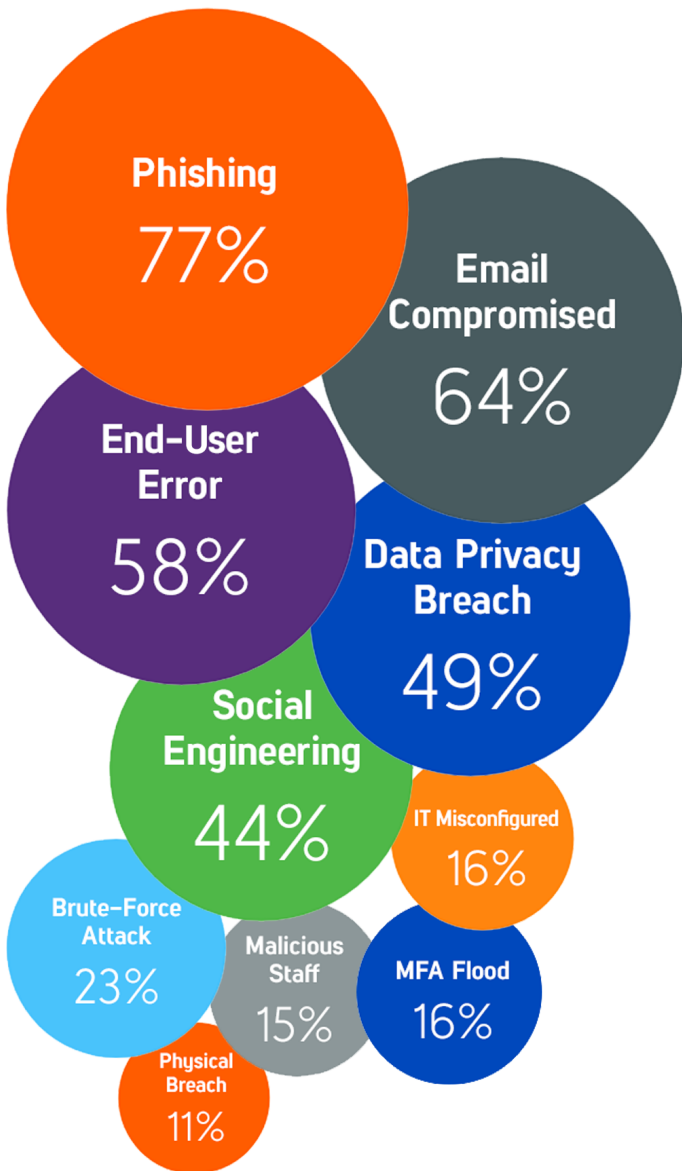
In 2019, just 55% of law firm leaders, partners, and key staff responding to our survey said their IT systems were secure against growing cybersecurity threats. Four years later, faith in security systems has grown significantly, with 82% of lawyers and staff saying their firms’ security is solid or good. In our 2023 survey, 27% of respondents said they felt their firms were not doing nearly enough to ensure their firms were safe from cybercriminals. This year, just 1% of respondents had the same concern. IT professionals at firms are the most certain of their systems, with 88% calling them solid or good. Other leaders said they were very confident as well: including 87% of firm administrators and 73% of managing partners and partners.

How Confident Do You Feel in Your Firm’s IT Against Growing Cyber Threats?



Increasing confidence in IT security comes even as the risks facing law firms have multiplied. As Law.com [reported](#) in December, cyber attackers have found “new open pipelines to access data within law firms. In 2023, a staggering number of law firms reported data breaches at the hands of several ransomware gangs.”

Cybersecurity Risks Posing the Greatest Concern in 2024

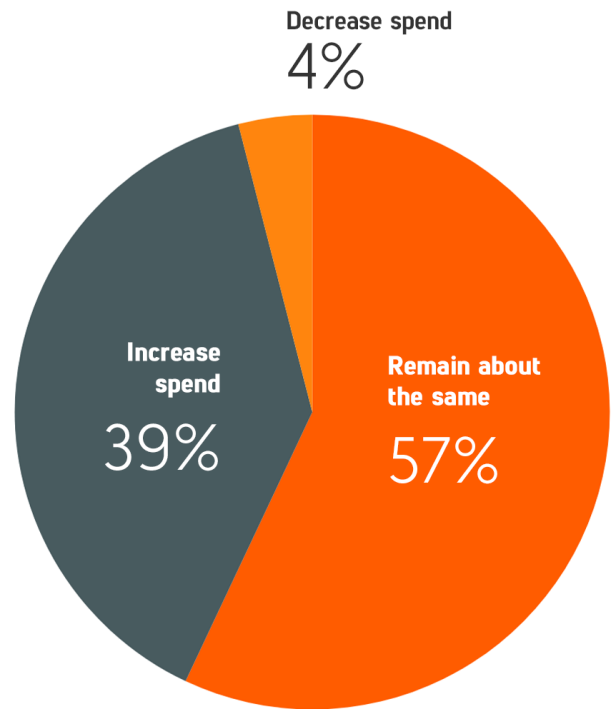


Half of the respondents in our latest survey said their firms had been the subject of a phishing attack: nearly a quarter had faced payment or wire fraud issues, and significant numbers experienced a

corporate email compromise (15%) or a ransomware attack (14%). Not surprisingly, respondents were especially concerned about risks that allowed bad actors into their IT networks, and they listed issues like phishing, compromised emails, end-user errors, and social engineering among their most pressing cybersecurity concerns in the year ahead.

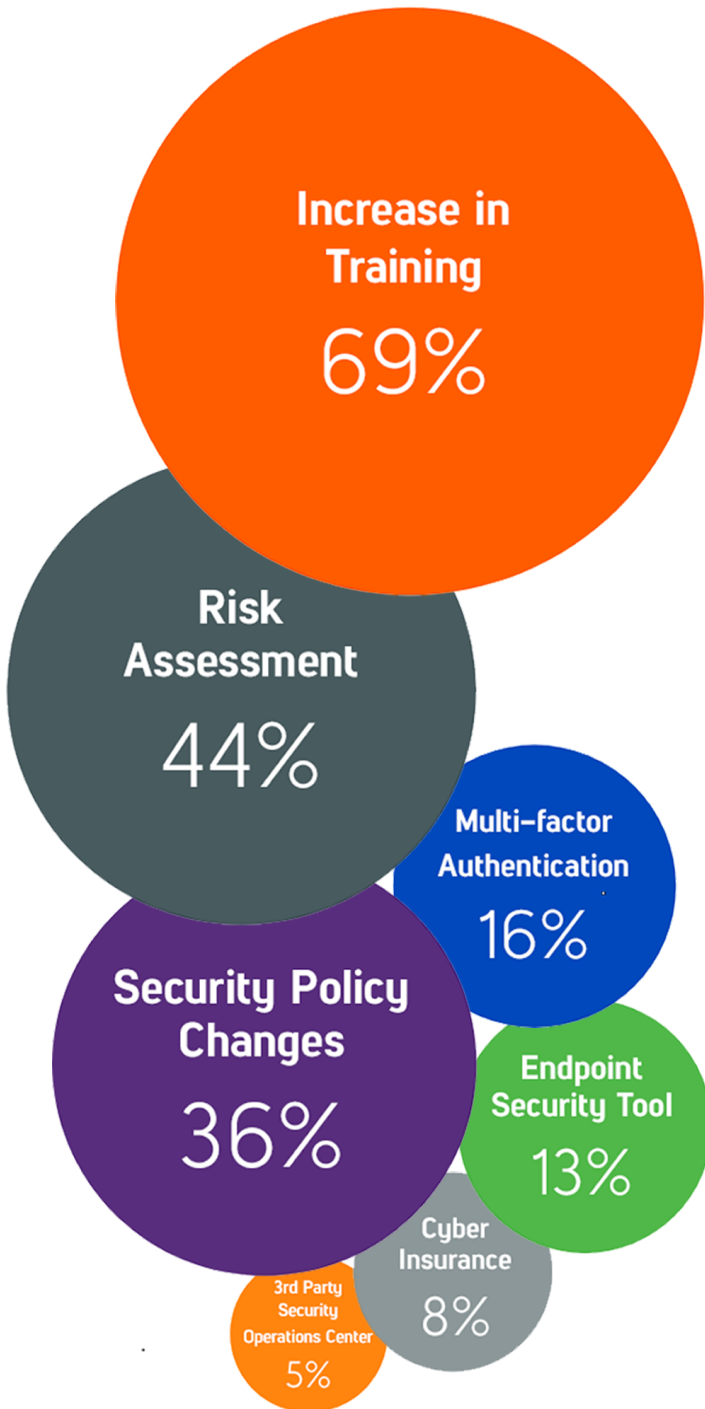
We also asked law firm leaders how they intend to adjust their spending on cybersecurity in 2024. Just under 40% said their firms would increase spending on cybersecurity in 2024, and 57% said spending would remain roughly the same. Only 4% of respondents said spending on cybersecurity would decline.

Compared to 2023, How Will Your Firm Adjust Its Spending on Cybersecurity in 2024?



Firms also said they are likely to do more to keep their lawyers and staff from being deceived by cyber criminals. Their top cybersecurity priority in 2024 is increased training and education for employees. Among other key efforts, law firm leaders and administrators said their firms would have a risk assessment performed and that they would implement security policy changes.

What Significant Cybersecurity Upgrades Does Your Firm Plan to Make in 2024?

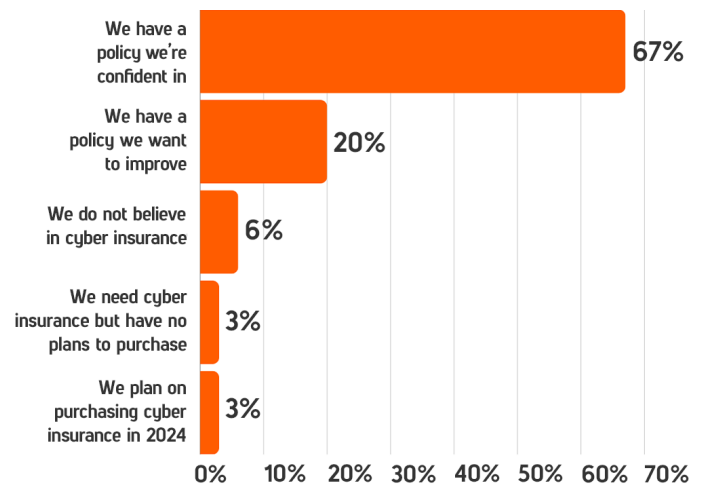


Lower on the list upgrades was a new cyber insurance policy. Cyber insurance typically provides coverage to law firms for the financial losses and potential legal claims resulting from a cybercrime. Firms may carry first-party insurance, which covers the direct financial impact of a cyberattack, and third-party liability insurance, which may cover

liability claims, client payments, and regulatory fines that can occur in the wake of a breach.

During 2023, as cyberattacks grew more sophisticated, frequent, and costly, cyber insurance rates have risen in tandem. [S&P Global predicts](#) that rates will grow 25% to 30% through 2025, and insurers have been creating more stringent policies as well. Given the rising costs and tighter underwriting standards, we asked respondents about the state of cyber insurance at their firms. We found that most firms have a policy, but few are rushing out to expand existing coverage or purchase new policies, even in the wake of recent cyberattacks.

Which Statement Best Describes Your Firm's Status on Cyber Insurance?



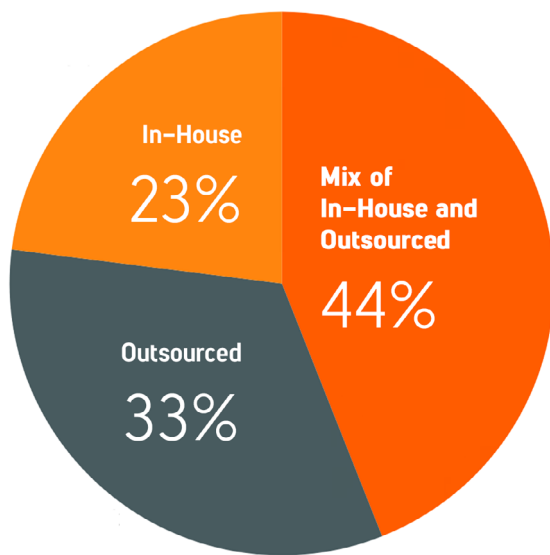
Nearly nine out of 10 respondents said their firms currently have an insurance policy, and seven in 10 expressed confidence in their coverage. One-fifth of respondents said that while they have a cyber insurance policy, they need to revisit it and improve coverage.

Overall, about 10% of firms said they do not believe they need an insurance policy, or that they need a policy but have no immediate plans to buy one. The percentage rises to 25% when filtered for firms of 25 lawyers or less. Smaller firms are also less satisfied with their current policies. Among firms of 26-50 lawyers, for instance, nearly 30% already have a cyber insurance policy, but believe they need to revisit or improve their coverage.

IT MANAGEMENT: OPTIMIZATION THROUGH OUTSOURCING

Law firms are continuing their march toward outsourced IT management and support, our survey shows, with nearly 80% of respondents saying their firms are handling IT fully or partially with outsourced solutions.

How Does Your Firm Currently Handle its IT Management Support?

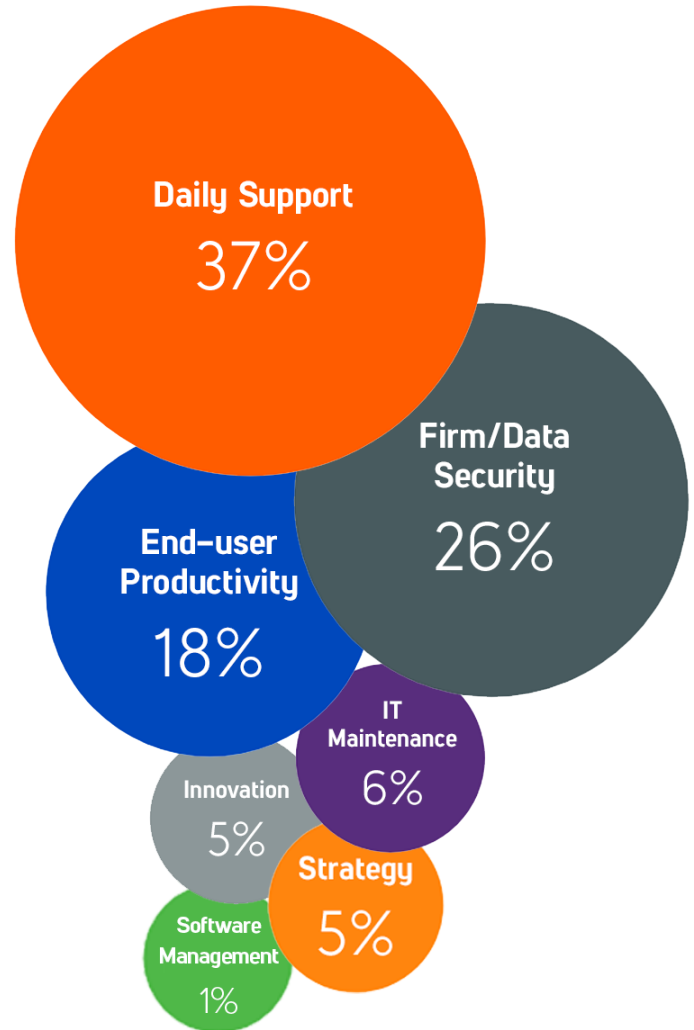


Perhaps unsurprisingly, among smaller firms, the use of outsourcing solutions to manage technology infrastructure, security, applications, cloud, business continuity, tech support, and other services is practically universal. As noted previously, the majority of our respondents came from firms with fewer than 50 attorneys and staff. Eighty-five percent of respondents from those firms reported using some form of outsourcing to help manage IT, with nearly half saying their firms had fully outsourced technology tasks.

Larger firms are more likely to have the resources to manage their IT with in-house staff. However, even that is shifting: the number of firms with more than 100 people that are fully or partially outsourcing IT management ticked up in our latest survey to 60% from 52%. The increase in outsourcing among larger firms may signal that they are growing ever-more cognizant of the challenges of building, optimizing,

supporting, and defending enterprise-wide IT systems—particularly in an age of hybrid workplaces and increasing cyber threats. Outsourcing to an experienced managed IT service provider (MSP) can help law firms counter these issues and allow partners and staff to spend more of their time on critical legal and client-related tasks.

What's the Most Important Role of Your IT Team?



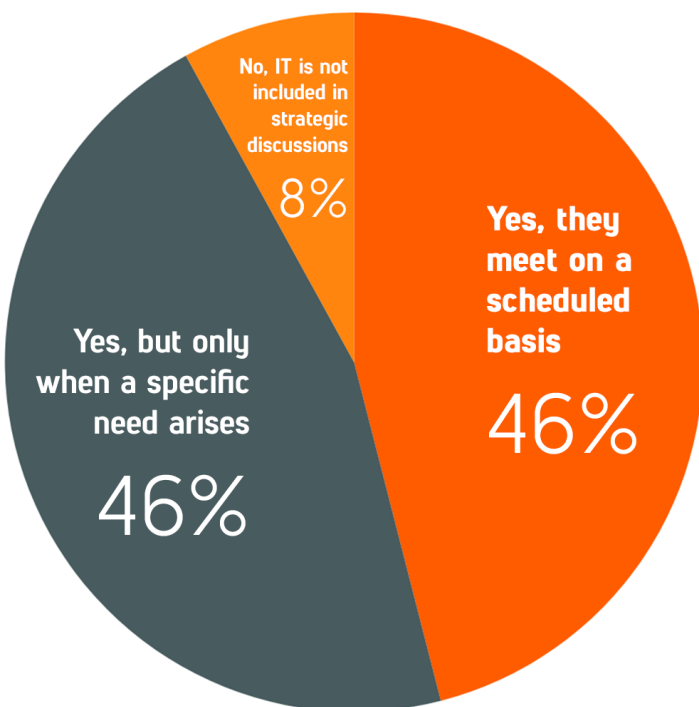
For law firms of any size, it is cost prohibitive to hire in-house for all of the competencies needed to design, manage, and support a modern IT system. MSPs, on the other hand, have deep expertise across a host of technology disciplines. A full-service provider can essentially function as the firm's IT department, or it can supplement an in-house team by managing a specialized task, like cybersecurity. An effective MSP will serve as a strategic partner for firms, taking the time to understand their needs

and goals and working closely with firm leaders to plan, implement, evaluate, and continuously improve technology solutions to support strategic objectives.

No matter how they are managing their IT, firm leaders, partners, and staff said day-to-day support remains the most important role played by their IT team. However, security issues are clearly top of mind. The number of respondents citing data and security as IT’s most important role more than doubled from last year’s survey. And cybersecurity is at the top of the list of the top IT priorities for firms in 2024. Our survey found that 31% of firm leaders and administrators saw cybersecurity as the most pressing issue they faced—a number in line with the results from our previous surveys in 2023 and 2019.

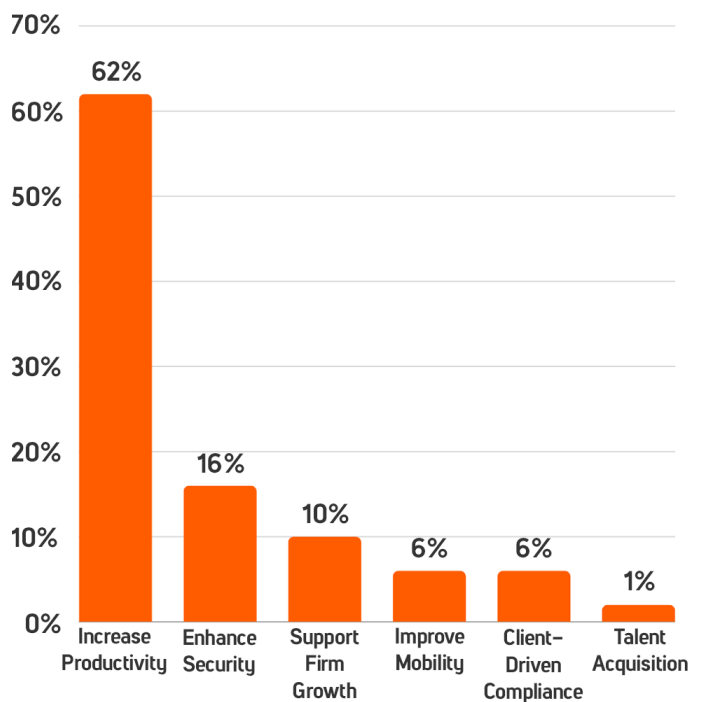
Top priorities for 2024 include a new issue as well—artificial intelligence. How AI will alter the practice of law is still an open question (one we will explore in more detail later in this report). Among our survey respondents, 11% said leveraging AI was a priority item on IT’s 2024 agenda, slightly behind mobility and accessibility related to hybrid work and application upgrades and changes.

Do Firm Leaders, Operations Management, and IT Meet to Discuss Strategic Objectives?



AI’s potential to transform the business of law has been well publicized during the last year, and one might assume that this has pushed more law firm leaders and administrators to include IT (whether provided by in-house staff or MSPs) in the strategic decision-making process. While 46% of respondents say IT and firm leadership are meeting on a scheduled basis, few firms say strategic decision making (3%) is among IT’s most important roles. Only 5% say that new solutions or innovation are among IT’s chief tasks. A majority of firm leaders and administrators said they communicate with IT on strategic issues only when the need arises or not at all.

What is Your Firm’s Main Driver When Considering New or Upgraded IT for 2024?



Given the fast-changing nature of technology and its increasingly central place in the law firm business model, leaving IT out of strategic discussions may be a missed opportunity. This is particularly true where a law firm has engaged with an IT partner. An experienced MSP can provide law firm leaders with deep insights about the marketplace and offer the expertise to build and implement new solutions and support innovation.

We also asked lawyers and staff to identify the primary drivers of increased spending when they are ready to invest in new or upgraded technology. More than 60% said productivity and efficiency is at the top of the list, far outstripping issues like enhanced security and supporting firm growth. We saw similar results in 2023, suggesting that, even with the security threats they face, firms are interested in ensuring revenues and profits remain strong.

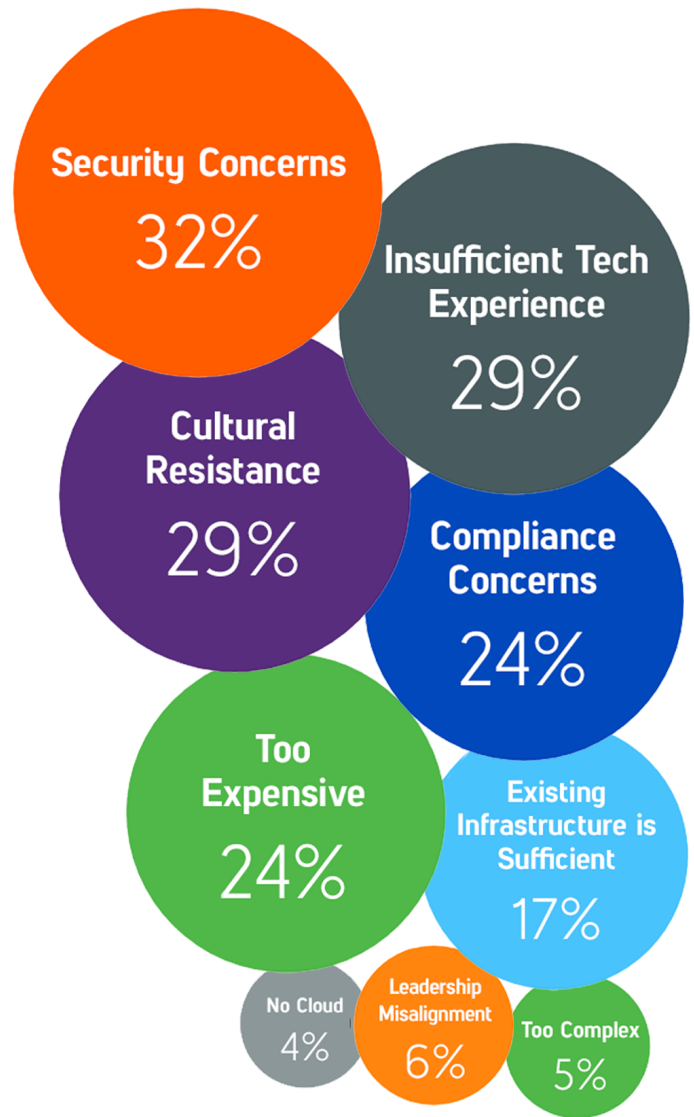
THE CLOUD: BREAKING THROUGH BARRIERS

Security concerns remain the issue that firm leaders, administrators, and IT staff mention most often as a barrier to their transition to cloud-based technologies. This may stem from the lingering (and mistaken) impression that cloud-based solutions are somehow less secure than those housed on premises.

But security’s potency as an issue—at least where cloud adoption is concerned—appears to be waning. In our 2023 survey, security was, by a large margin, the top obstacle to adopting a cloud-based approach and was cited by nearly half of respondents to our survey. In 2024, the number declined to just under one-third. In fact, security ranked only a few percentage points ahead of other impediments like insufficient in-house technical expertise and cultural resistance to change.

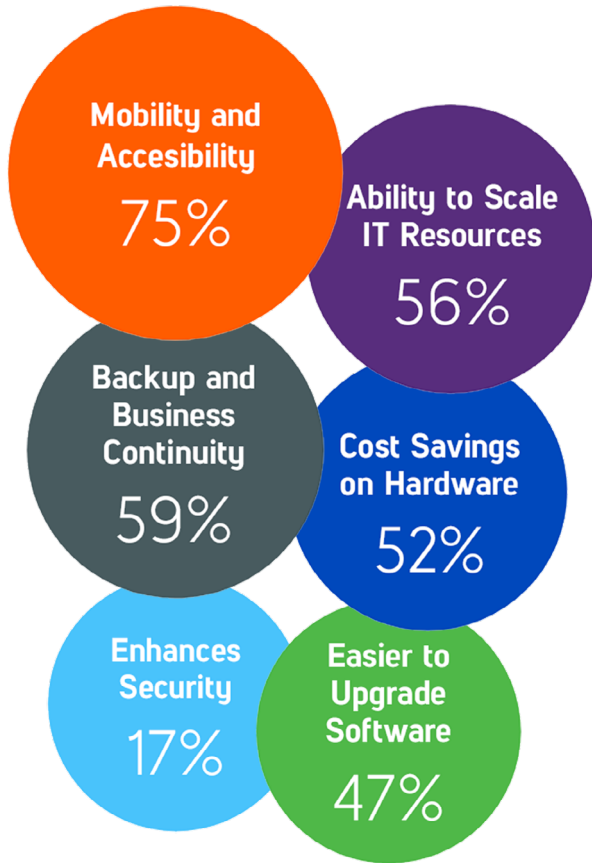
Putting to bed misconceptions about cloud security would be a strong, positive development for firms. A cloud-based system actually delivers superior cybersecurity and allows firms to better meet their ethical and legal responsibilities for protecting their clients’ private data. When a law firm is completely in the cloud, all data, files, and applications live in an IT service provider’s secure cloud. Because its entire business model depends on its ability to maintain security, a reputable cloud service provider will have established multi-faceted security features to ensure its systems are impenetrable and that data is protected no matter where a user is working.

What Are the Top Barriers Your Firm has Faced in Its Cloud Journey?

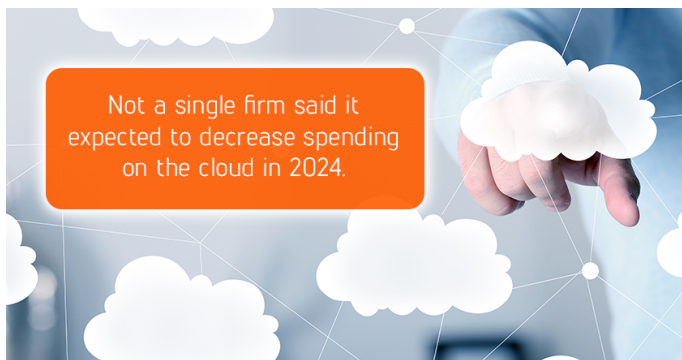


The cloud also provides law firms with a host of additional benefits. The most important of those, according to 75% of our respondents, is the greater mobility and accessibility that cloud-based solutions allow—an obvious plus as law firms continue to settle into permanent, post-pandemic hybrid work environments. Nearly 60% of the firm leaders and administrators who responded to our survey cited the inherent backup and business continuity provided by cloud-based systems as the cloud’s greatest benefit. And 56% said they view the ability to easily scale IT resources up and down as critically important.

What Does Your Firm View as the Greatest Benefits of the Cloud?

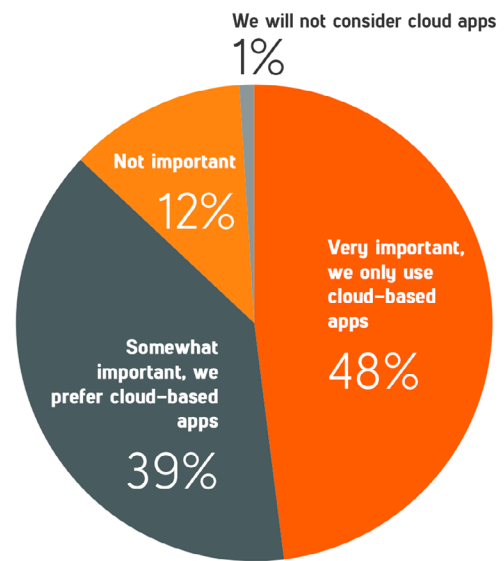


Only 4% of the law firms in our survey operate completely outside the cloud, down from 6% in our last survey. For the vast majority of firms, investment in the cloud is critical. In a sign of the cloud’s importance to modern firm operations, not a single firm said it expected to decrease spending on the cloud in 2024. Forty-five percent of respondents said they believe their law firms will increase spending, and 55% said their spending is likely to remain about the same.



For approximately 9 out of 10 firms, cloud capabilities are important factors when considering a new application. The issue is very important to 48% of our respondents, who said they would only consider adding applications that are cloud-based. Thirty-eight percent said the issue was somewhat important, and that even though they would prefer a cloud-based app, they would consider an application based on premises. Only 1% of respondents said their firms would not consider using cloud applications.

How Important is it that a New Application Runs in the Cloud?

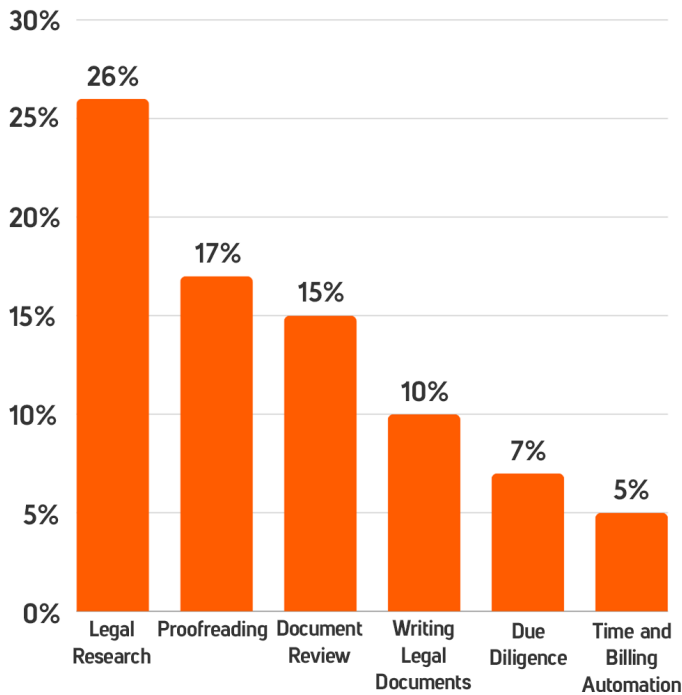


ARTIFICIAL INTELLIGENCE: ARE AI TOOLS DELIVERING?

In 2023, hardly a day seemed to pass without a news article or think piece on the impact of artificial intelligence, and particularly generative AI, on the legal profession. Typical was a June headline and article from The Economist, “Generative AI Could Radically Alter the Practice of Law,” which intoned that “lawyers are a conservative bunch” who need to learn that “AI is neither a fad nor an apocalypse, but a tool in its infancy—and one that could radically change how lawyers work and law firms make money.”

To get a better sense of how the AI revolution is playing out at law firms, we asked firm leaders and executives to weigh in specifically on whether they are using artificial intelligence tools, and, if they are, what they are doing with them, how well those tools are performing, and what kind of barriers stood in the way of wider adoption.

Most Common Ways Firms Are Employing AI



Far from running away from AI, our survey found nearly half of respondents—48%—are already integrating artificial intelligence tools into their workflows. Legal research was the most common application, followed by proofreading/error correction and document review. About 10 percent said they were using AI to help draft documents including briefs and contracts, and a few were using the technology to assist with due diligence and time and billing tracking.

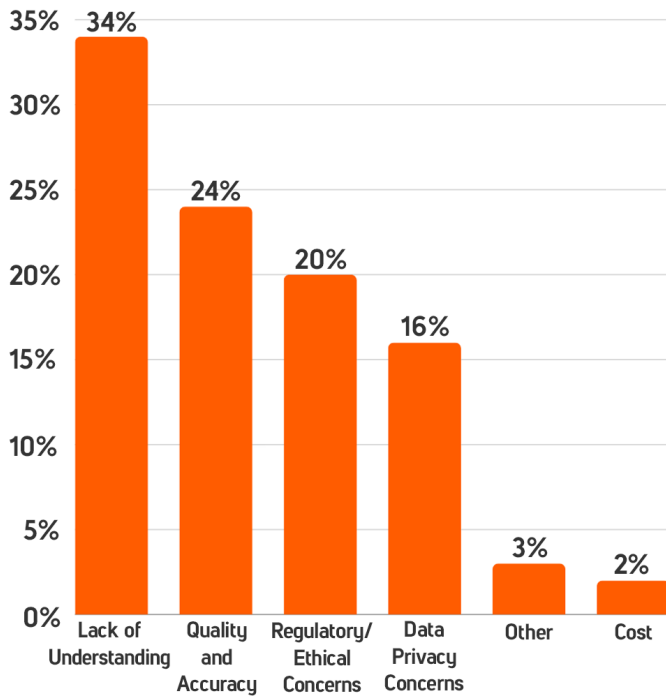


While AI tools may be gaining traction, the new technology has room to improve when it comes to delivering on its promise of greater productivity and efficiency. Among our survey respondents, 62% said AI had no impact on productivity and efficiency. Lawyers and staff presumably use different AI tools depending on their roles, and the survey results point to varying levels of satisfaction depending on one’s position in the firm. Managing partners and partners were somewhat more positive about AI’s performance, with 43% saying it had improved productivity and efficiency. Firm administrators, executive directors, and operations managers gave artificial intelligence far lower marks: Just 22% of them reported an increase in productivity driven by AI.



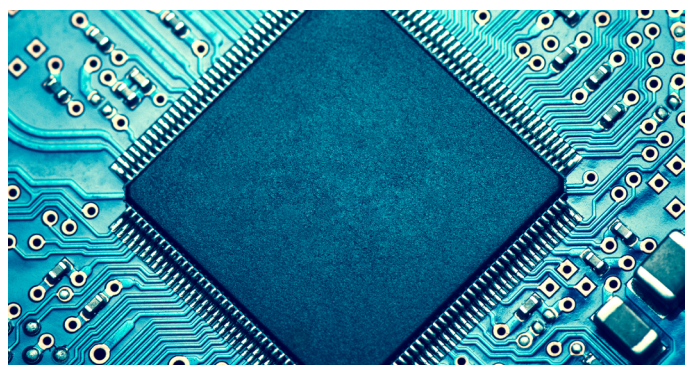
Educating lawyers and staff may be key to helping improve AI’s efficacy. Among our survey respondents, a lack of understanding of the technology was the most common barrier to AI adoption. Concerns about quality and accuracy, regulatory and ethical concerns, and data privacy and security concerns are also key factors hindering the use of AI tools. Interestingly, cost—usually one of the most important obstacles for new technology adoption—was the least cited issue by our survey respondents.

What is the Greatest Barrier to Using or Increasing the Use of AI at Your Firm?



Still, it's likely that many firms will continue to adopt a wait-and-see posture with AI. As we noted, more than half of firms (52%) have yet to implement AI solutions. And while 55% of respondents said they expect their firms to expand the use of AI in 2024, a robust 45% say they plan to limit the use of AI.

This suggests AI developers and lawyers and staff who support the expanded use of artificial intelligence have significant work to do to educate their customers and colleagues and to assuage concerns over practical issues like work-product quality and data security.



CONCLUSION

During the last few years, many law firm leaders and administrators have demonstrated a remarkable willingness to leverage technology and rethink the way they do business. They moved rapidly toward hybrid work during the pandemic. They embraced cloud-based applications and the outsourcing of IT-related work. Many have engaged with MSPs to manage their technology and free their lawyers and staff to focus on client service. And as our survey shows, a number of firms are already attempting to integrate artificial intelligence tools into their workflows.

Yet the recent past is simply a prologue to a much broader transformation of the legal industry's traditional business model. Certainly, generative AI's promise has yet to be fully demonstrated. As outdated concerns begin to ebb, more firms should take full advantage of the cloud, and they should explore the benefits of outsourcing and working with MSPs. Firms will need to more actively mine the expertise of their IT staff and service providers to help them innovate and develop business strategy. And all the while, constant vigilance will be required to fight cyber criminals, who will leverage new technologies and attempt to disrupt their businesses.

For firm leaders and administrators, remaining open to change, being nimble, educating their teams, adopting the right technology for their firms and managing it efficiently, and establishing relationships with experienced and trustworthy service providers will be crucial in facing these challenges and creating new opportunities for their businesses.

We welcome your feedback on this survey. Please [contact us](#) if you have any questions or comments.



ABOUT THE AUTHOR

Tabush Group is a leading provider of Cloud and Managed IT services. For more than 20 years, Tabush Group has specialized in delivering technology solutions to small and midsize law firms. Boxtop, Tabush Group's Desktop as a Service (DaaS) cloud solution, provides true mobility with full security. The company's mission is to deliver amazing service so their clients can focus on success. Founded in 2000, Tabush Group is a privately held company headquartered in New York City.

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