

2021/2022

LexisNexis

Legal Tech

Report





EXECUTIVE SUMMARY

2021/2022 LexisNexis Legal Tech Report is an important body of research giving a moment-in-time snapshot of the challenges and concerns facing South Africa's law profession.

In 2016, LexisNexis and the LSSA partnered on a body of research to best understand how the legal landscape had changed since an initial study commissioned in 2008. A regular analysis of the legal profession is envisaged with the intention of developing a review of legal practice in South Africa and to monitor significant changes and notable trends. The last report was published in 2016. This much-needed 2021 incarnation yielded interesting and important findings.

DEMOGRAPHICS

The 2021 report is focused primarily on the current legal outlook for Advocates and Attorneys. Of the 1210 legal professionals who took part in the survey, the majority come from small law firms. A total of 438 respondents fully completed the survey, with 772 partially completing it.

GENDER

The survey results show a 5% increase in female legal professionals in the last 5 years.

There has been a 7% increase in fully female owned firms since 2016.

RACE

There has been a 15% decrease in white and a 12% increase in black legal professionals since 2016. Only 19% of firms have mixed ownership currently.

LEGAL RESEARCH

Legal research is primarily conducted by Equity Partners and Professional Assistants. Online formats are most preferred.

SUPPLIERS

LexisNexis remains in the lead, with the majority of respondents using LexisNexis as their supplier of choice.

PANDEMIC

The survey results show that 60% of the sample disclose that their businesses have been 'grossly impacted' by the COVID 19 pandemic.

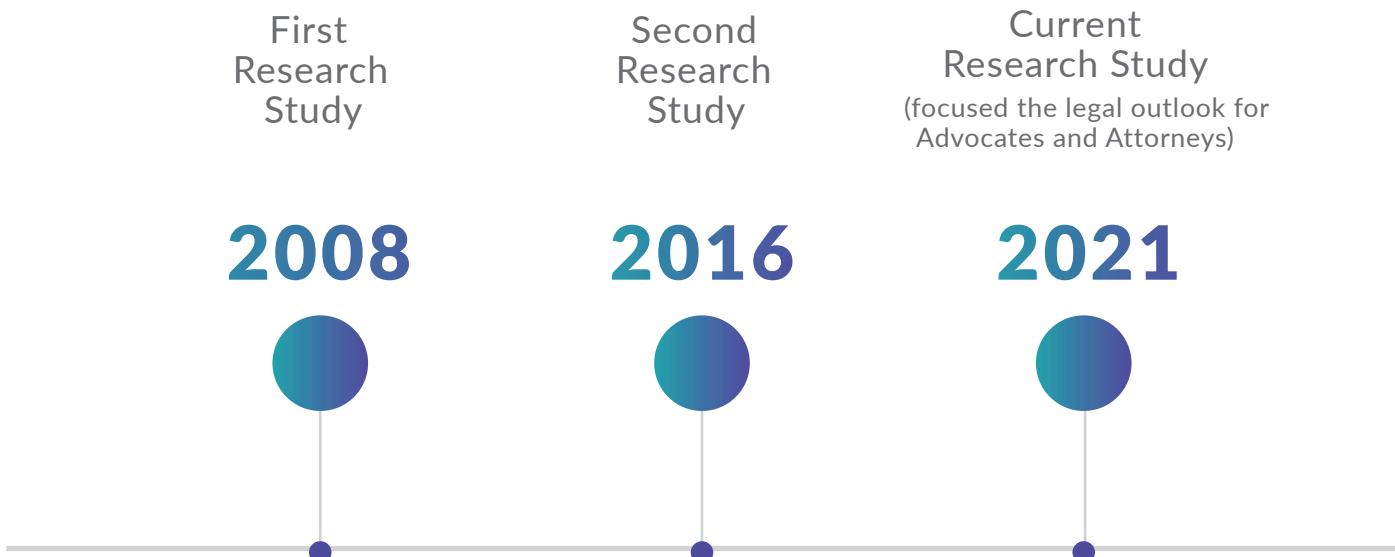
Billings for Civil Procedure has been the hardest hit.

11% of sample say that Wills, Trusts and Estates were positively impacted by the Pandemic.



BACKGROUND

The Law Society of South Africa (LSSA) and LexisNexis have partnered on a body of research to understand how the legal landscape had changed over the years.



COMPARISONS AND TRENDS OVER THE PAST 23 YEARS ARE NOTED WHERE APPLICABLE.



The aim is to contribute towards the development of the legal profession by sharing the results with participants.

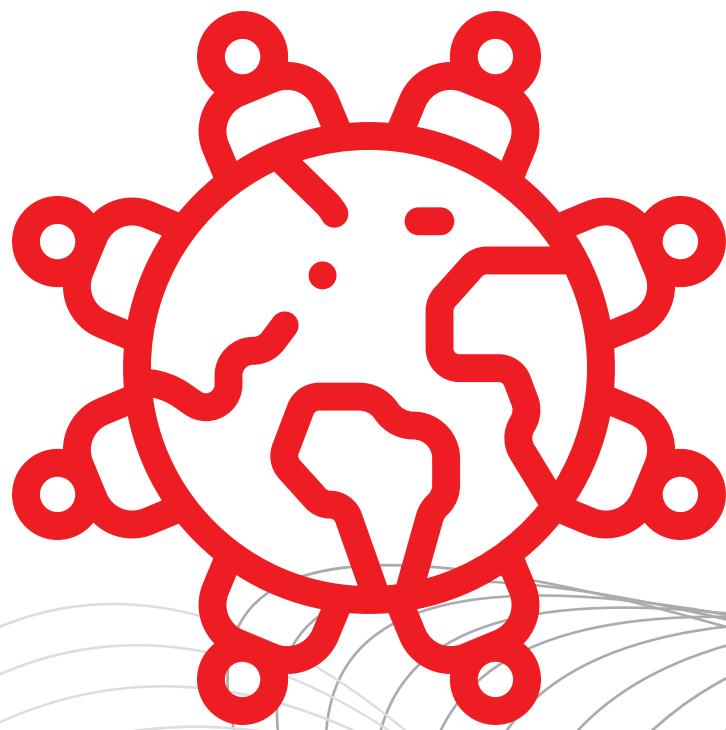
METHOD



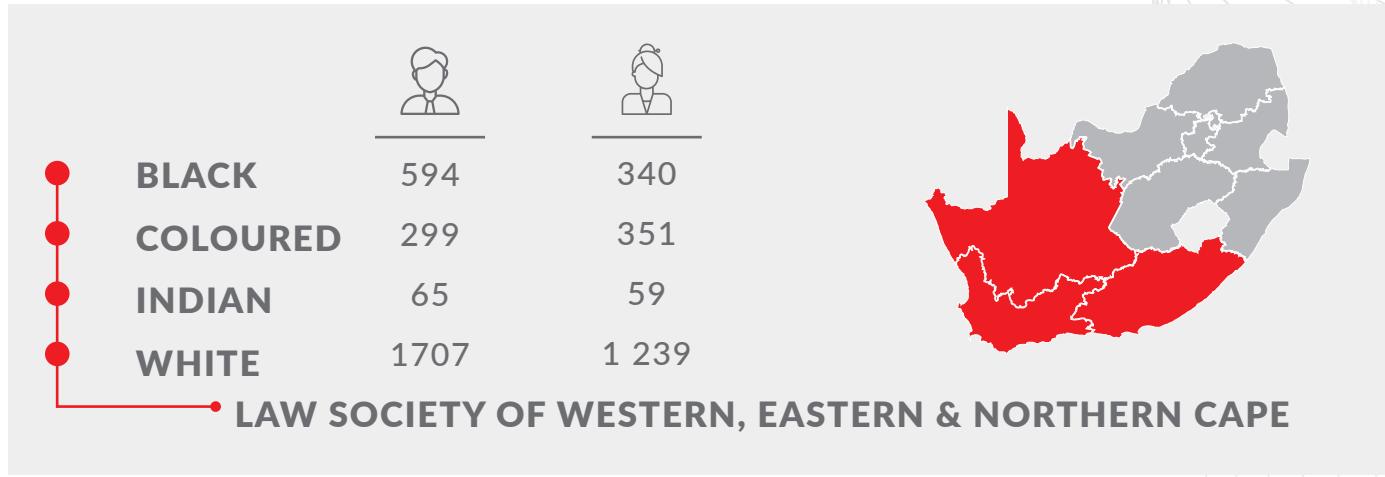
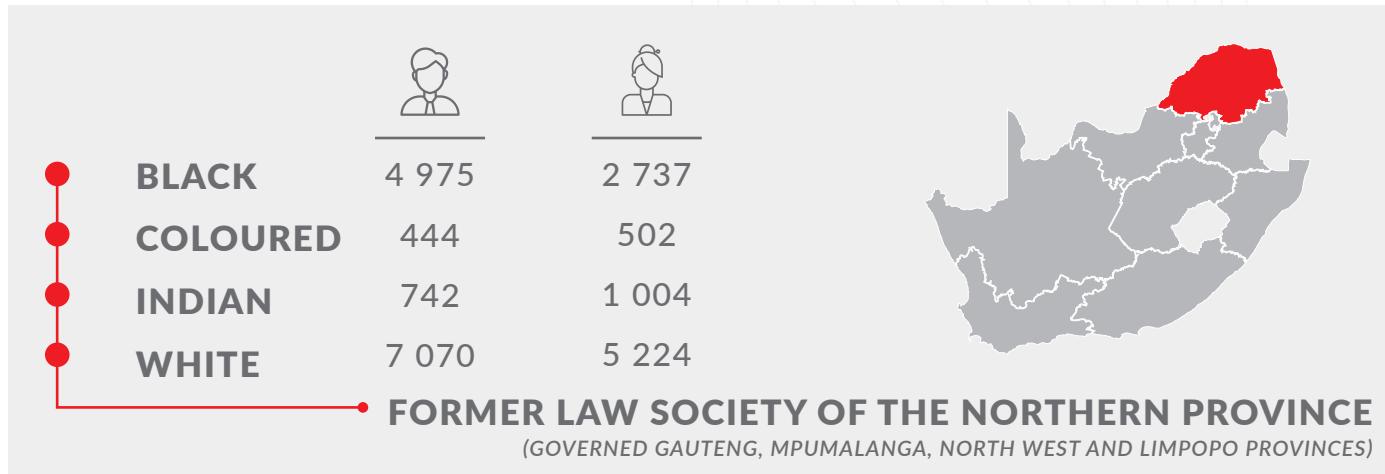
THE SURVEY WAS SENT TO THE LAW SOCIETY OF SOUTH AFRICA (LSSA) DATABASE FOR COMPLETION.



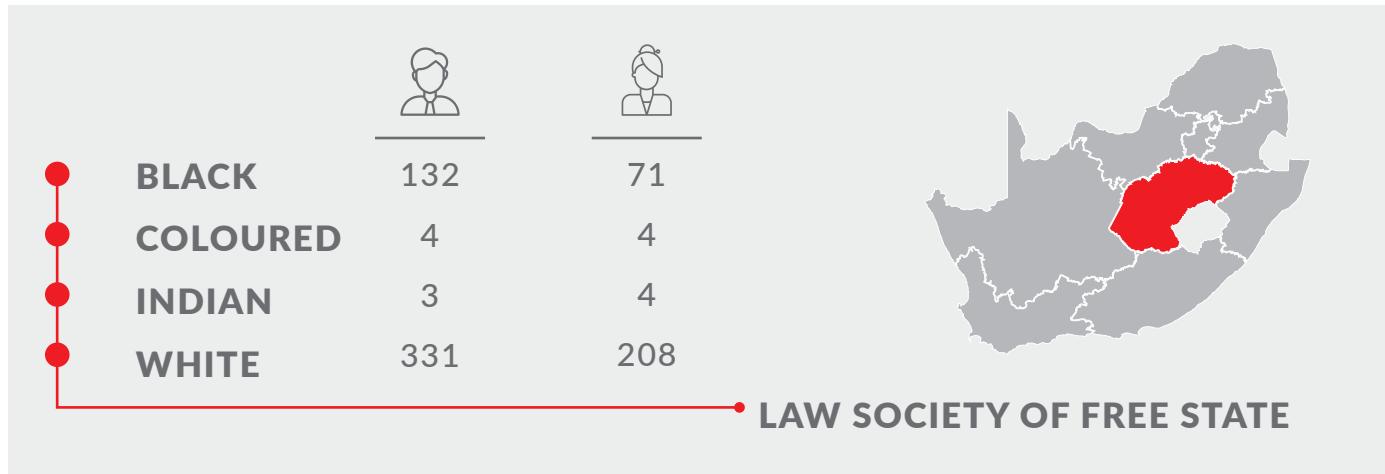
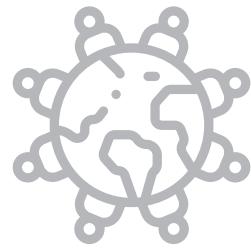
LAW SOCIETY OF SOUTH AFRICA MEMBERSHIP DEMOGRAPHICS



Law Society of South Africa Demographics by Gender and Province



Law Society of South Africa Demographics by Gender and Province



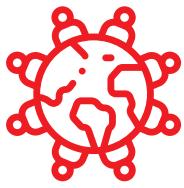
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THE STATE OF THE LEGAL INDUSTRY IN SOUTH AFRICA 2021 REPORT FINDINGS

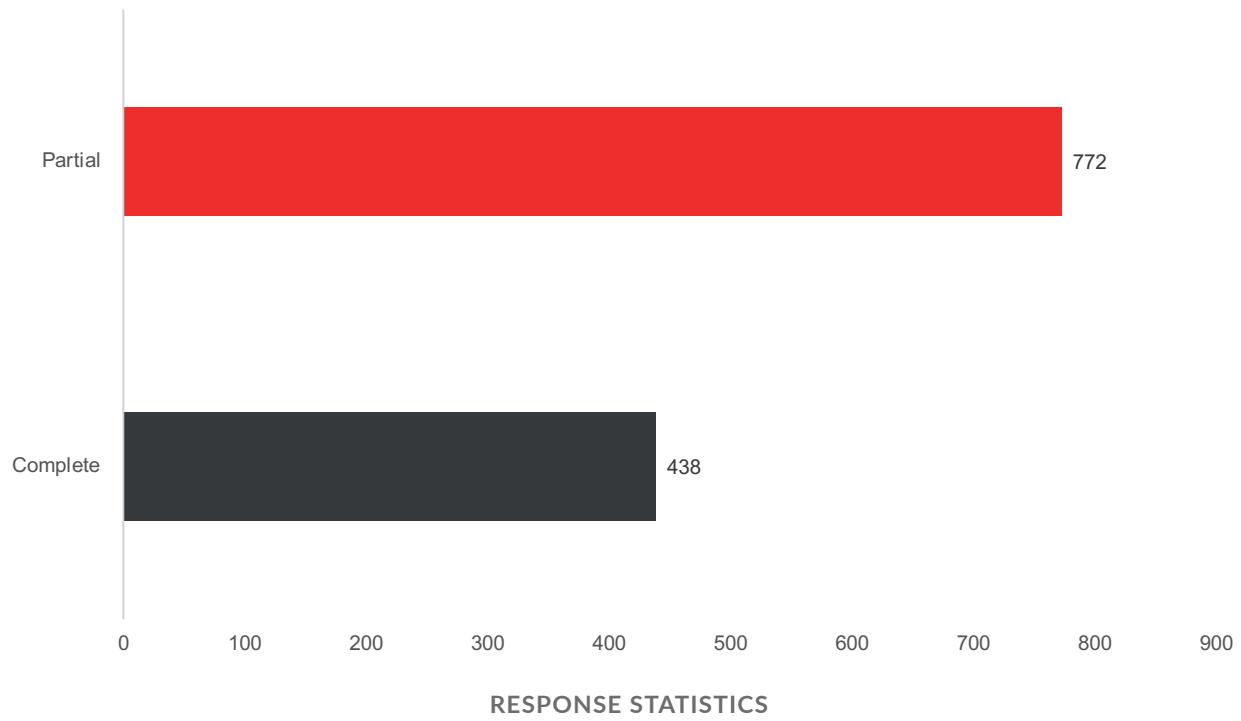


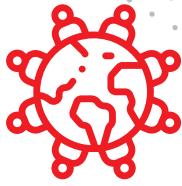
SAMPLE DEMOGRAPHIC AND PROFILE



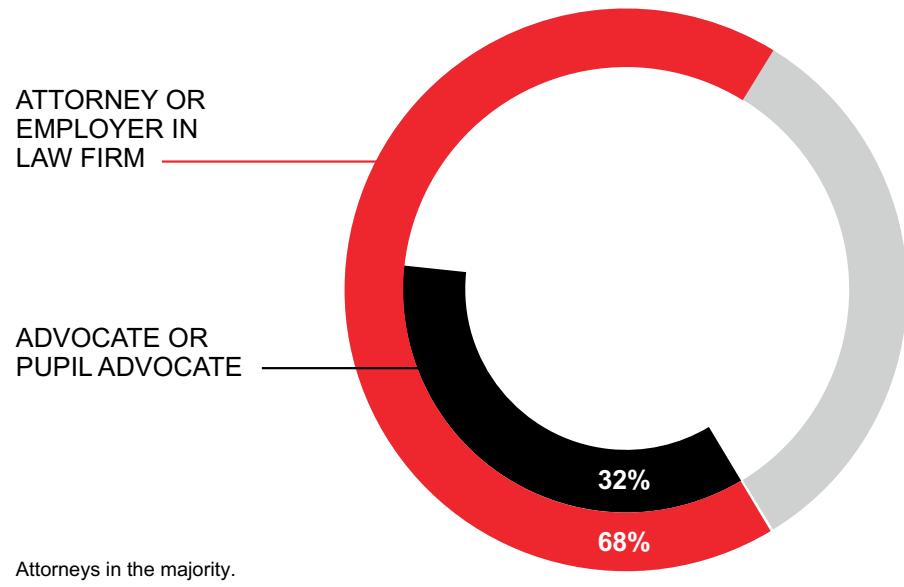


Partially and fully complete survey.

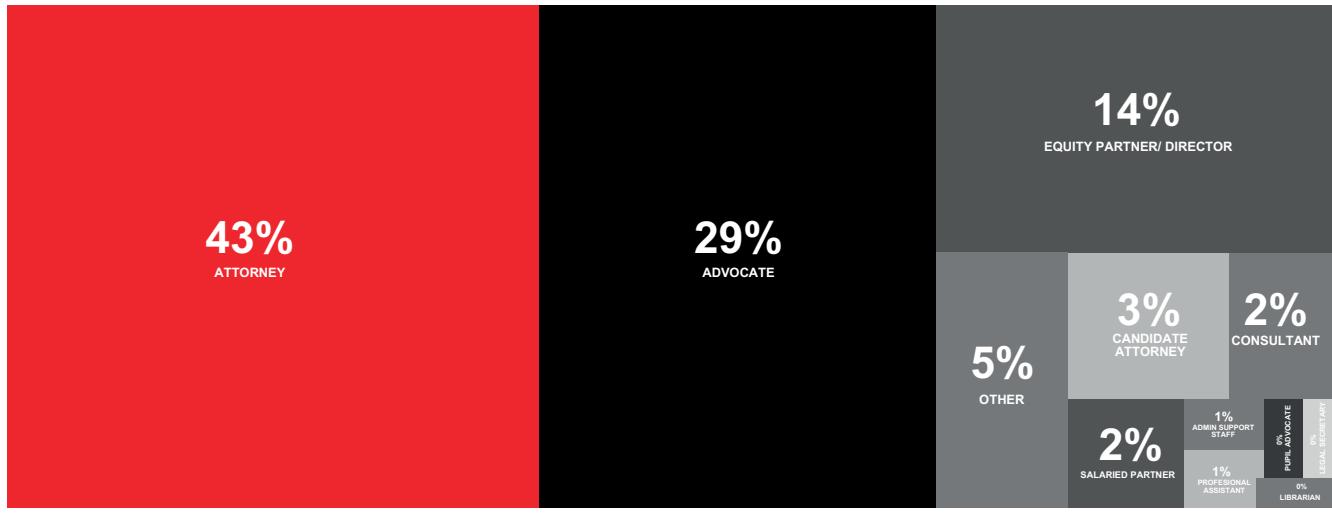


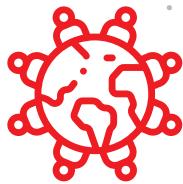


Are you an advocate or do you work in a law firm?

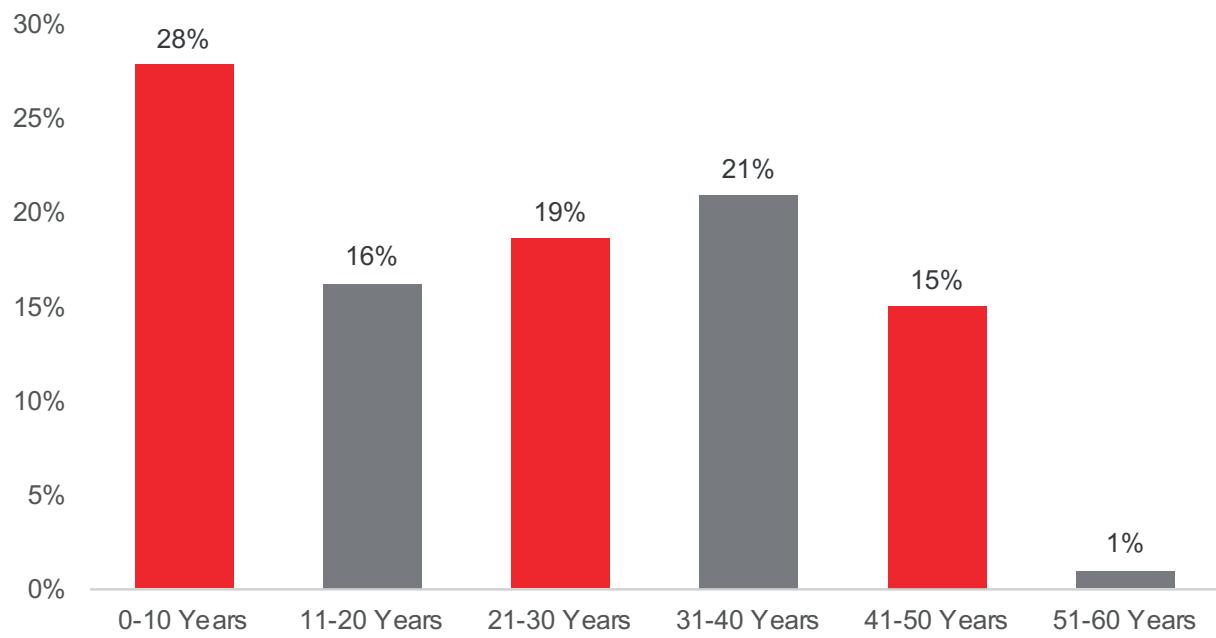


What is your role?

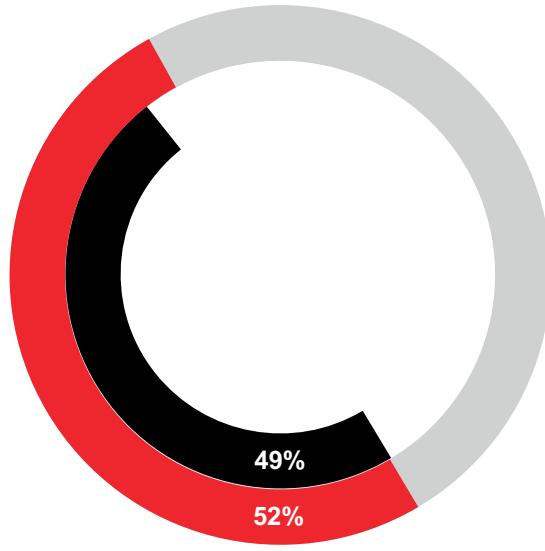


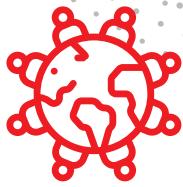


How many years have you been practicing law?

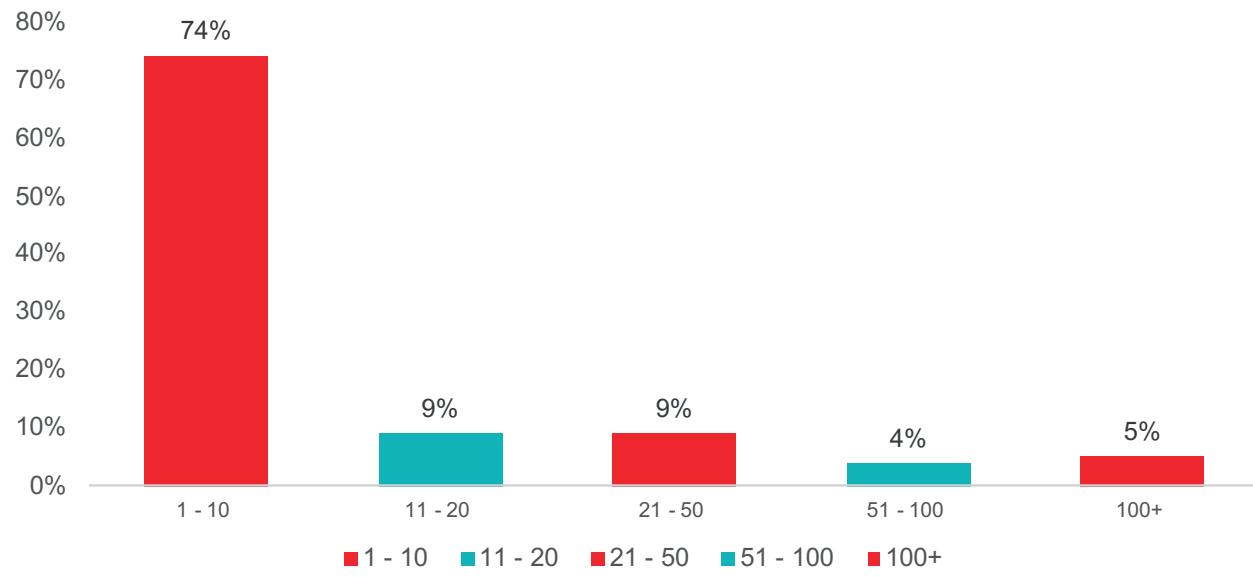


Are you a sole proprietor?

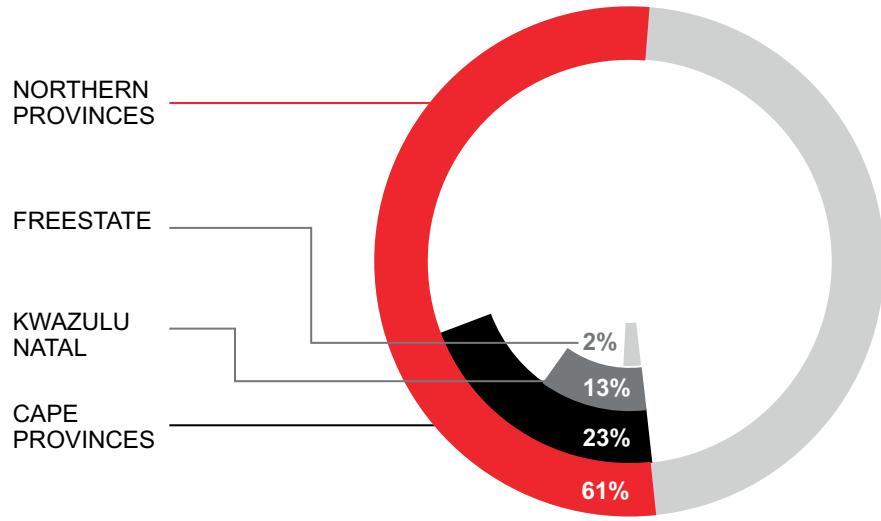


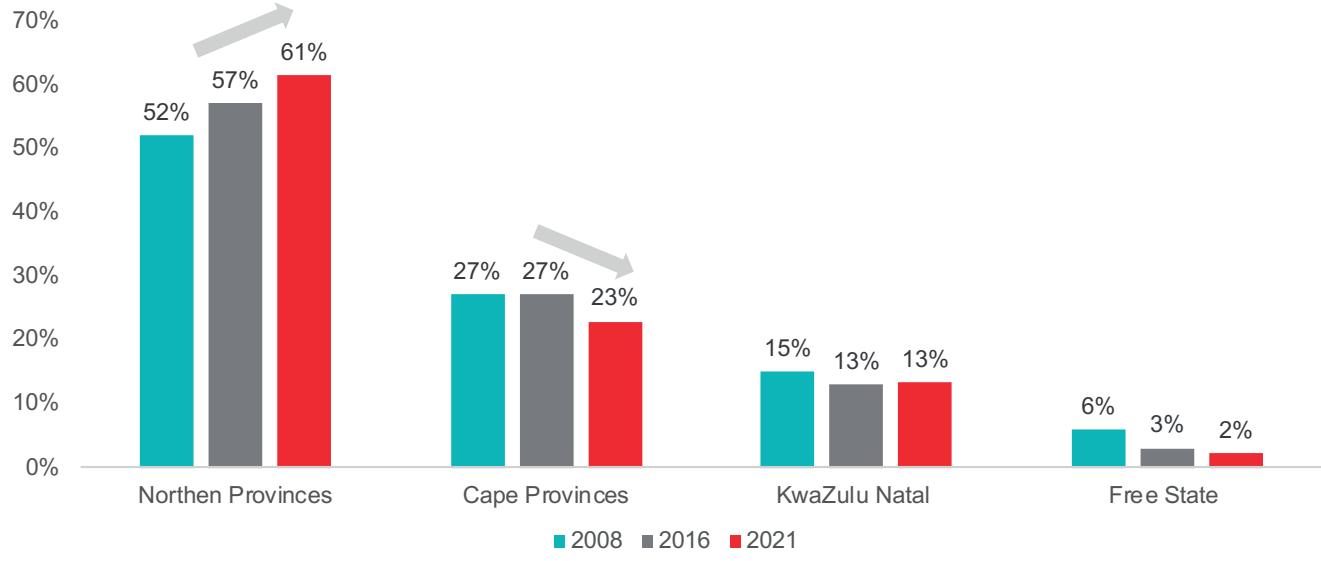
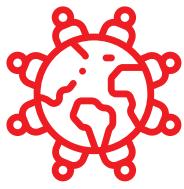


How many employees (professional and support staff) are there in your firm?



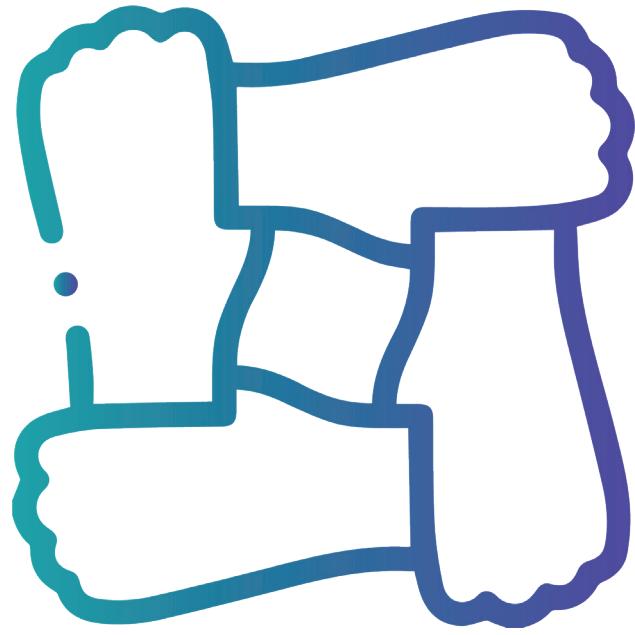
What province/provinces do you operate from?

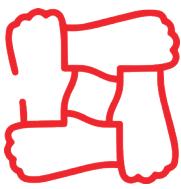




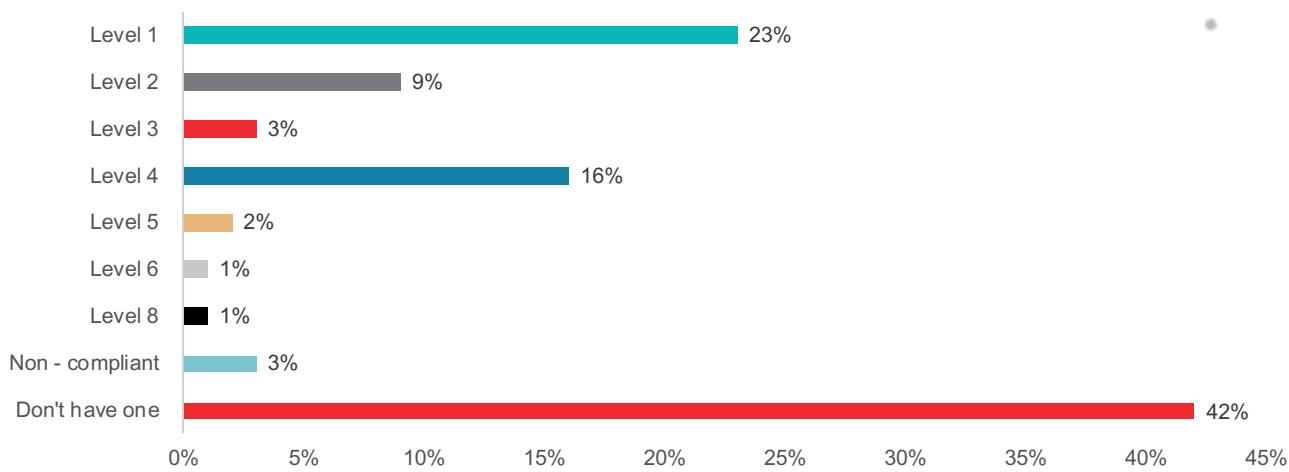
During the past 5 years there has been an increase in legal professionals in the northern provinces and an equal 4% decrease in those living in the cape provinces

RACE AND OWNERSHIP

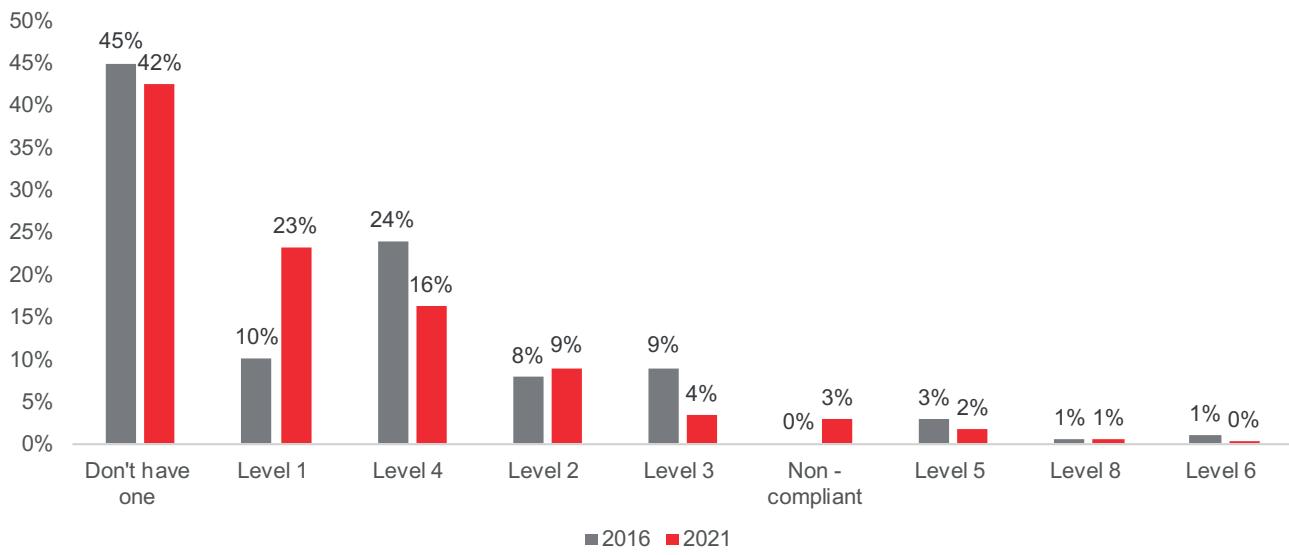




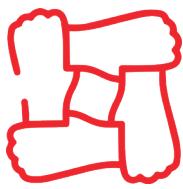
What is your bee rating?



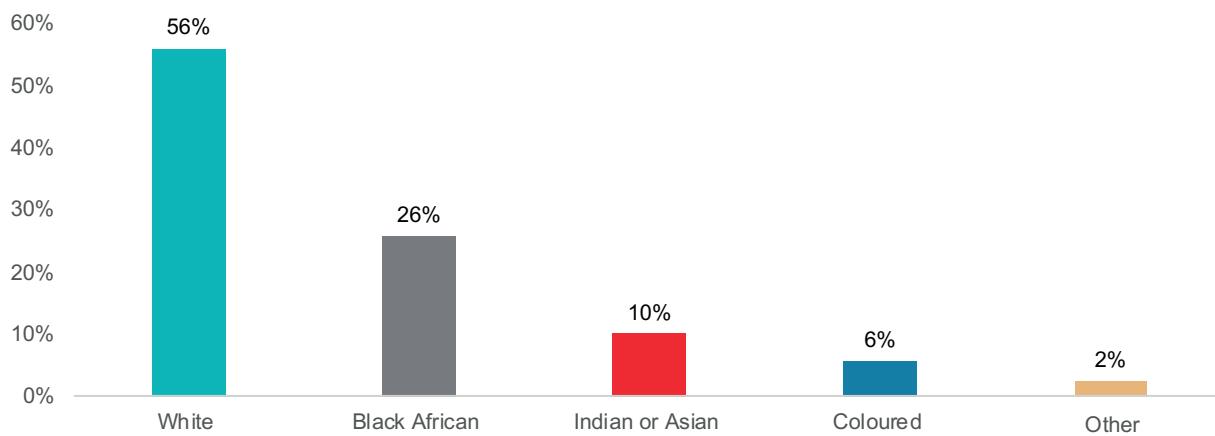
What is your bee rating?



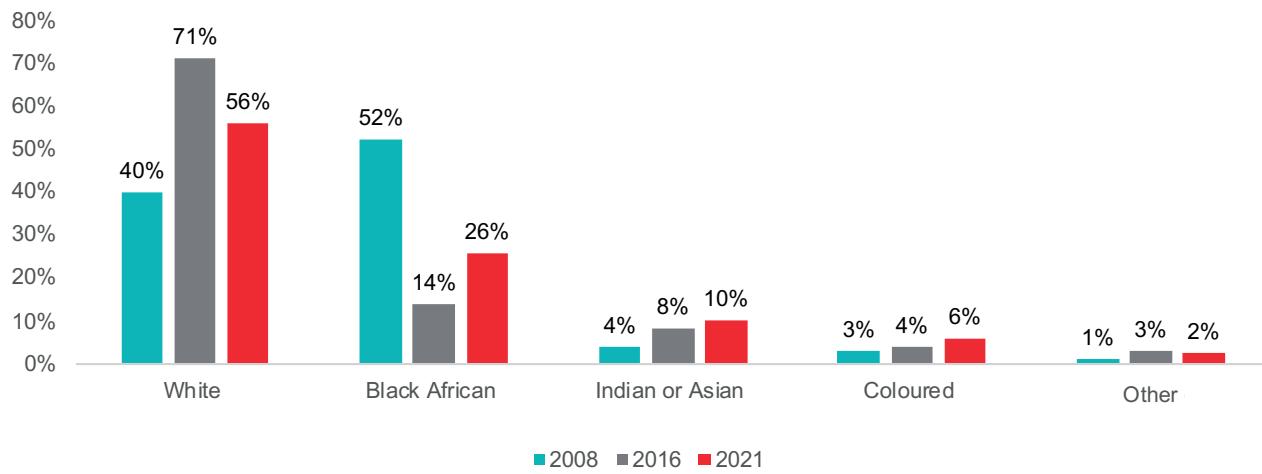
13% jump in BEE level one.

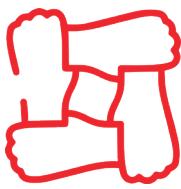


**Below are the census population categories.
How would you classify yourself?**

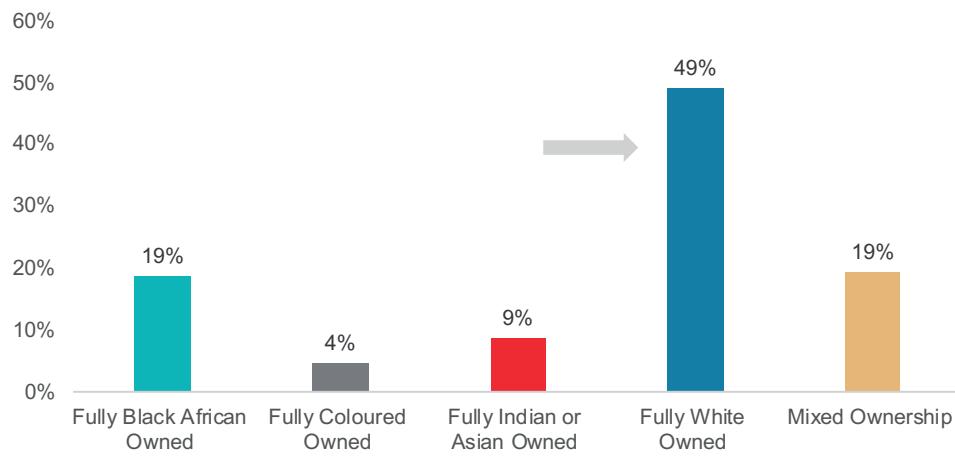


**Below are the census population categories.
How would you classify yourself?**

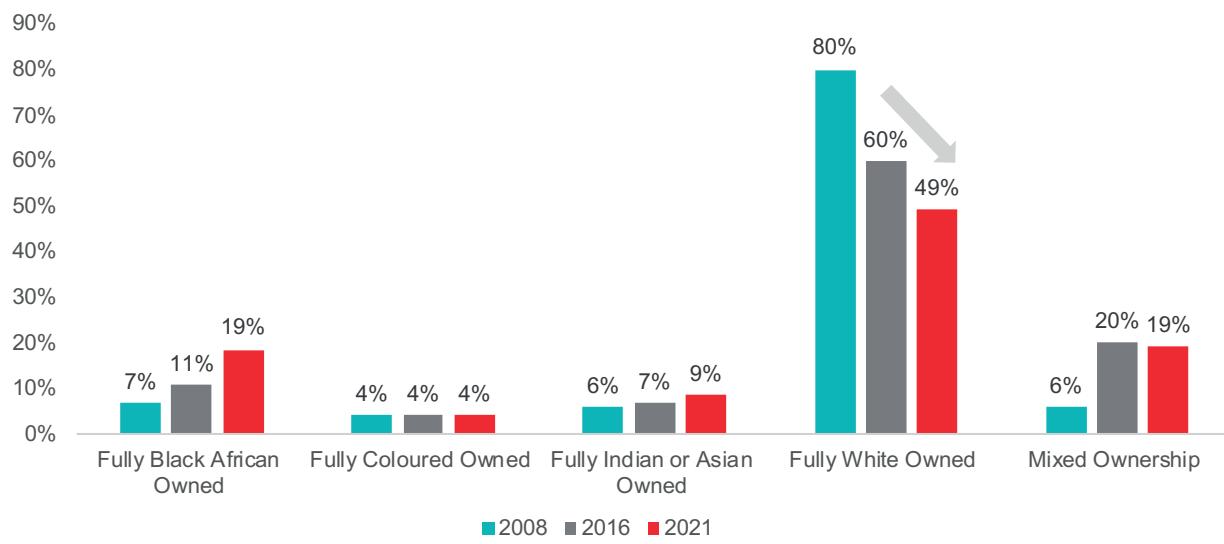




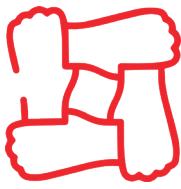
Please indicate how your firm's ownership is structured by population group.



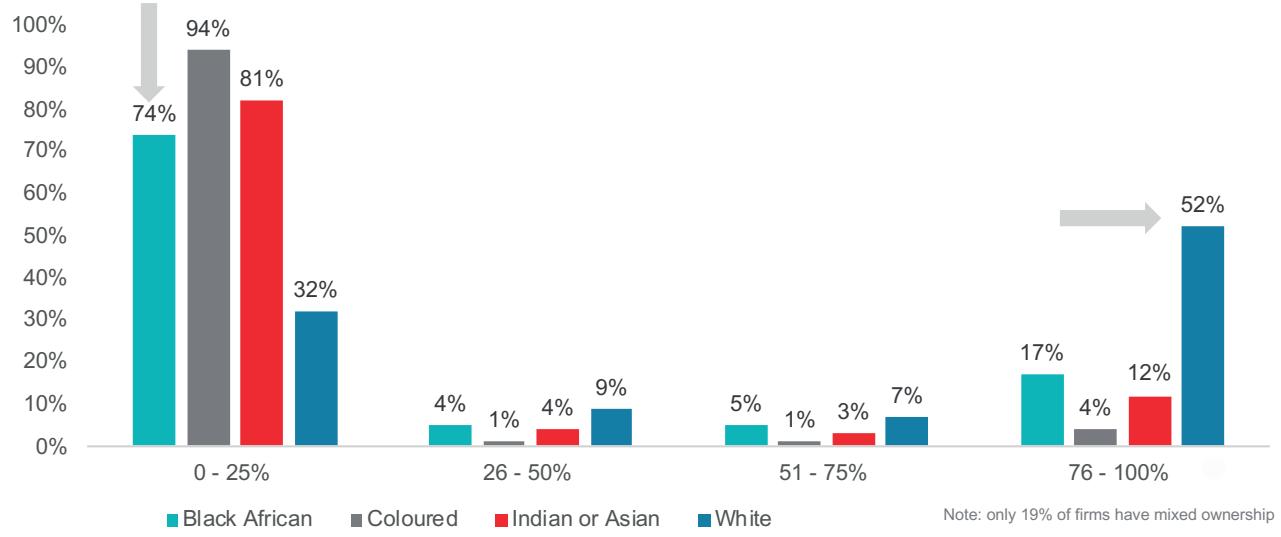
Please indicate how your firm's ownership is structured by population group.



Notable reduction in fully white owned firms. Of interest is the drop between 2016 and 2021 where we do not see shifts in other categories. Comparing this data with the racial profile of respondents, it appears that there has been a reduction in white legal professionals overall rather than a shift to mixed ownership. Although fully white owned firms have shown a dramatic decline over the past 23 years, they remain the stronghold

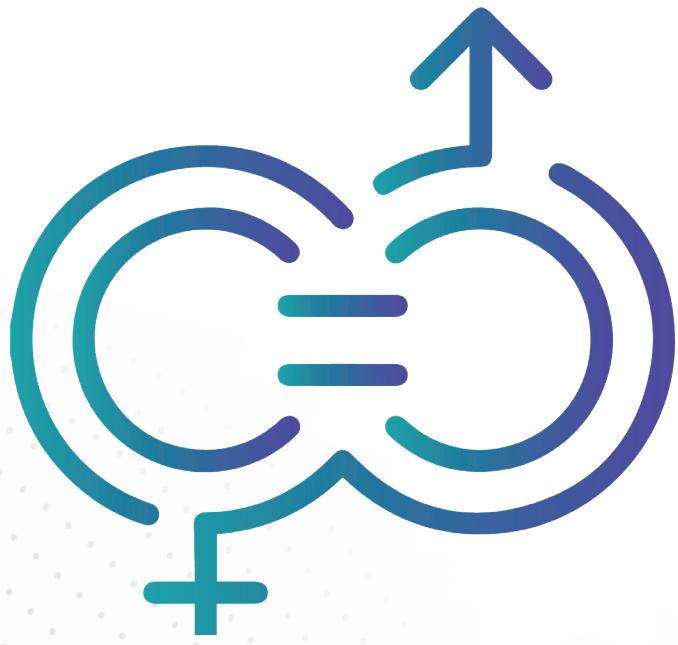


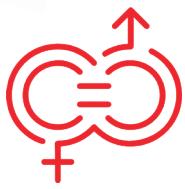
How is the mixed ownership split in your firm - Please estimate percentages for all categories?



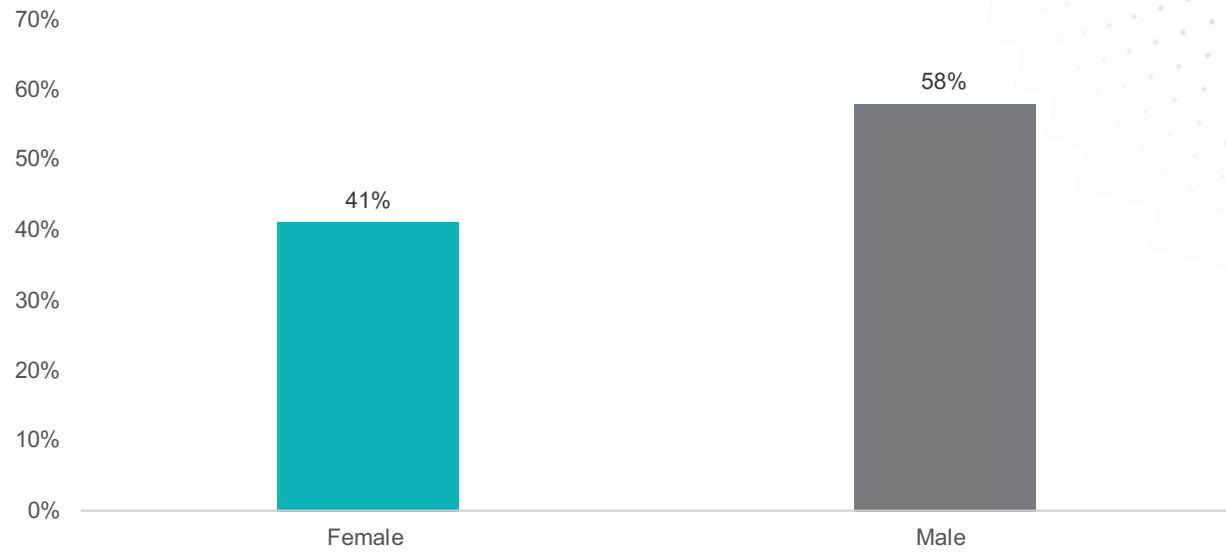
In firms with a mixed ownership structure there is a white majority and black minority stake. Over half of the white owners own proportions of 75% of the firms. 74% of the black ownership in mixed ownership schemes is limited to less than 25% ownership.

GENDER AND OWNERSHIP

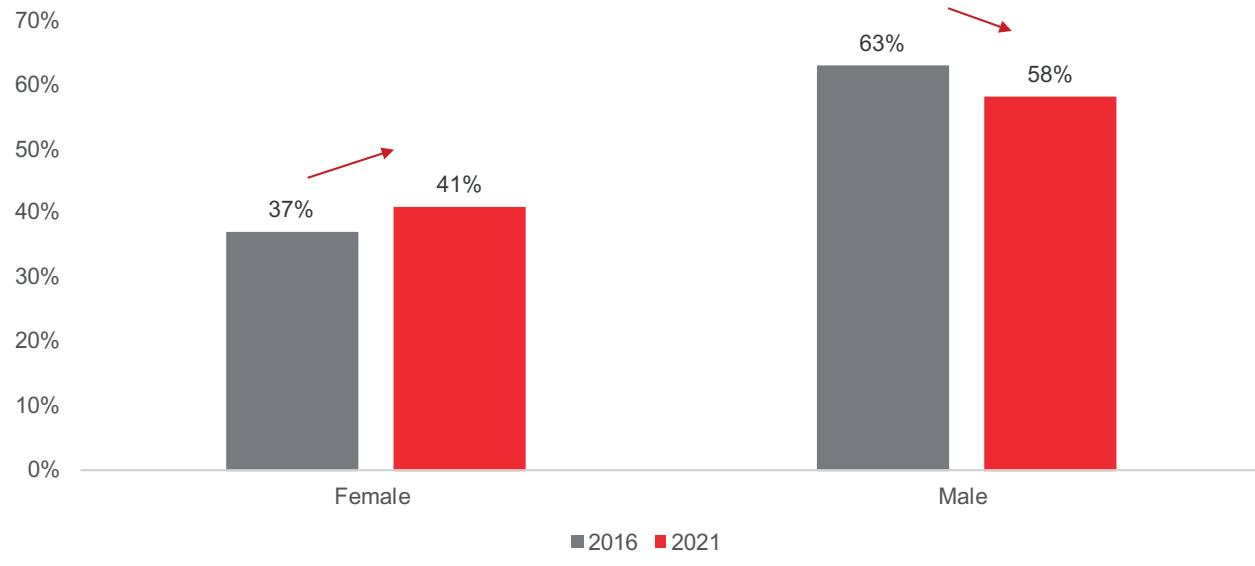


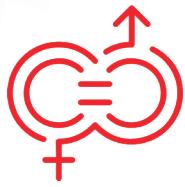


What is your gender?

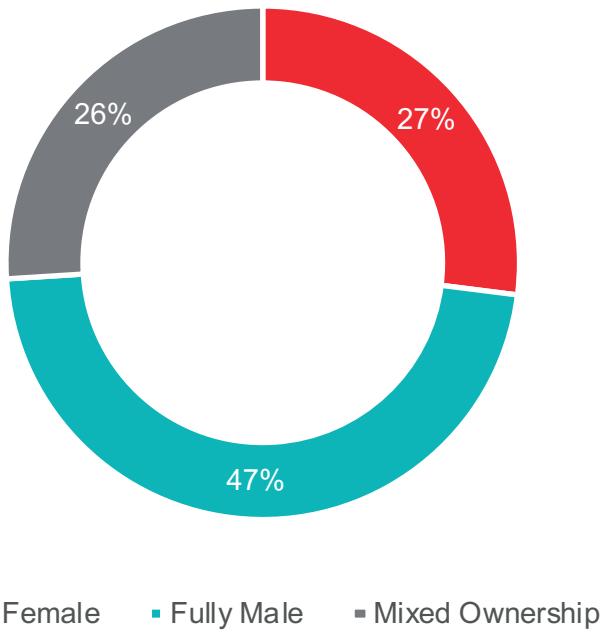


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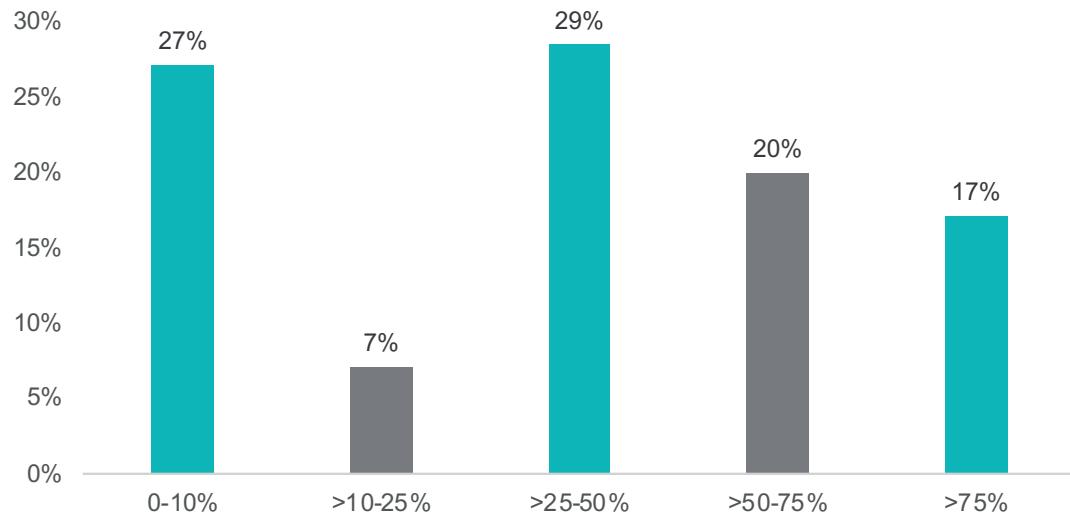


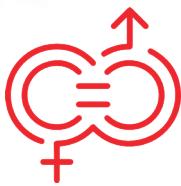


Please indicate how your firm's ownership is structured by gender.

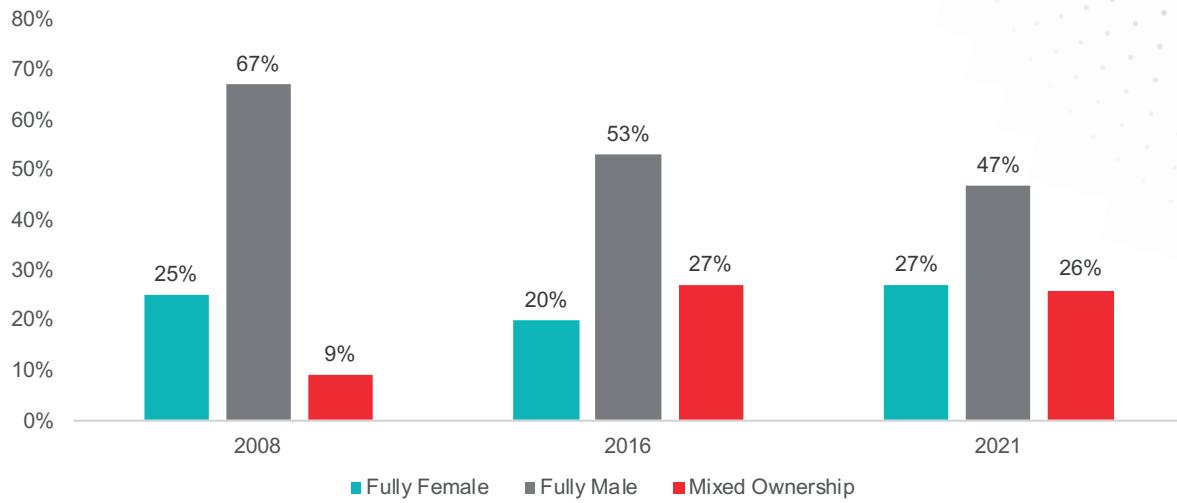


What percentage of the decision makers in your firm are women?



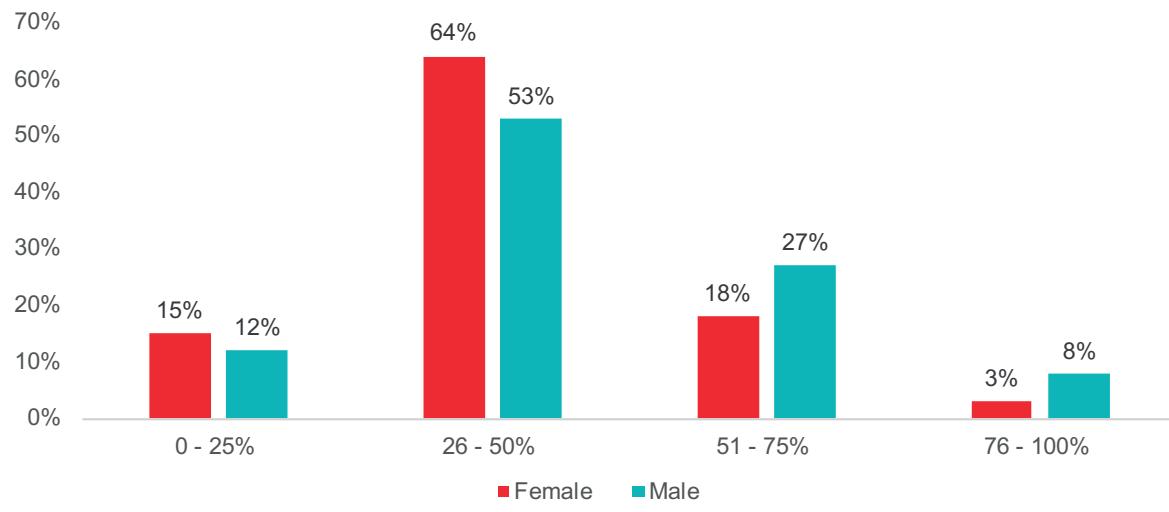


Please indicate how your firm's ownership is structured by gender.



Mixed ownership by gender has remained static over the past 5 years, while fully female owned firms have increased by 7%. Fully male-owned firms have decreased by 6%

How is the mixed ownership split in your firm - please estimate percentages?



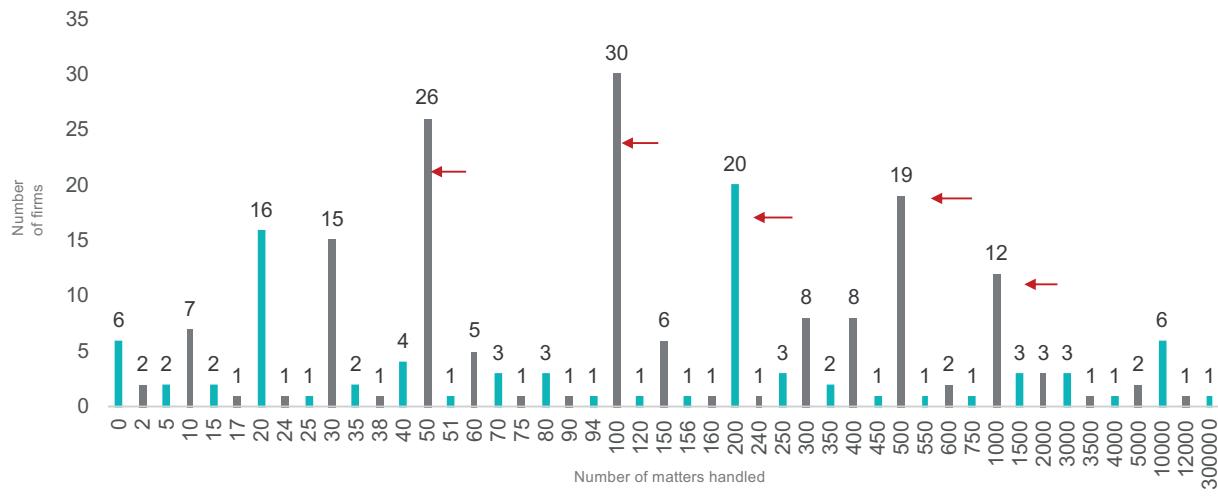
Of the 26% of firms with mixed (gender) ownership the ownership splits are relatively balanced.

MATTERS



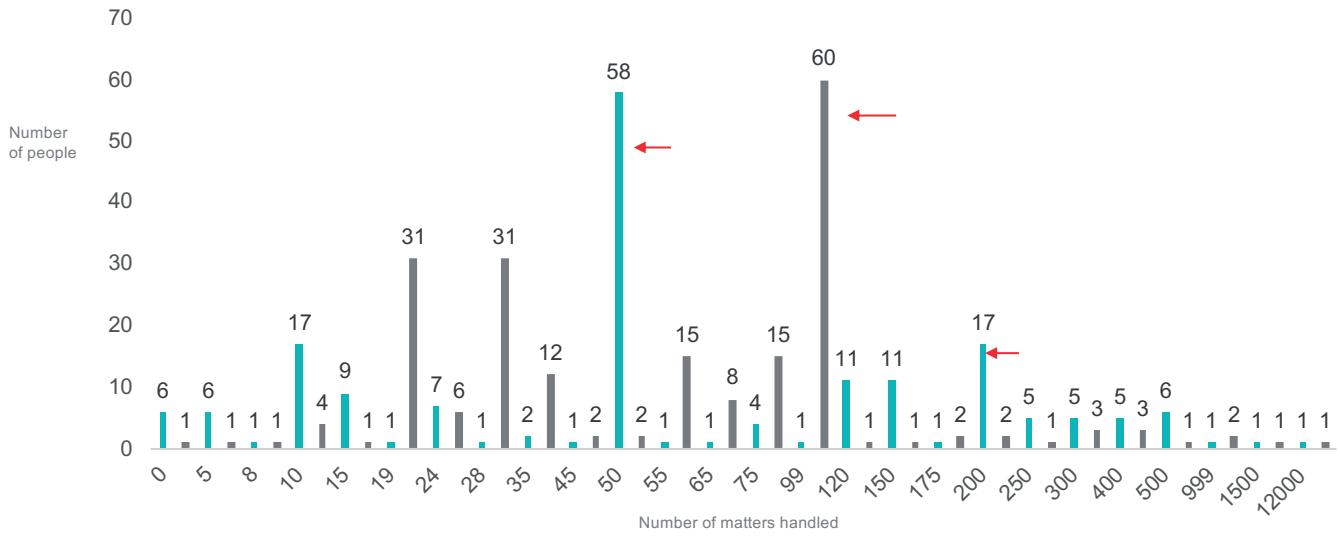


Approximately, how many matters does your firm handle on an annual basis?



The number of matters handled annually varies significantly between firms. 30 firms indicate that they handle 100 matters per year, another 26 handle only 50, 20 firms handle 200 and 12 as much as 1000 per year.

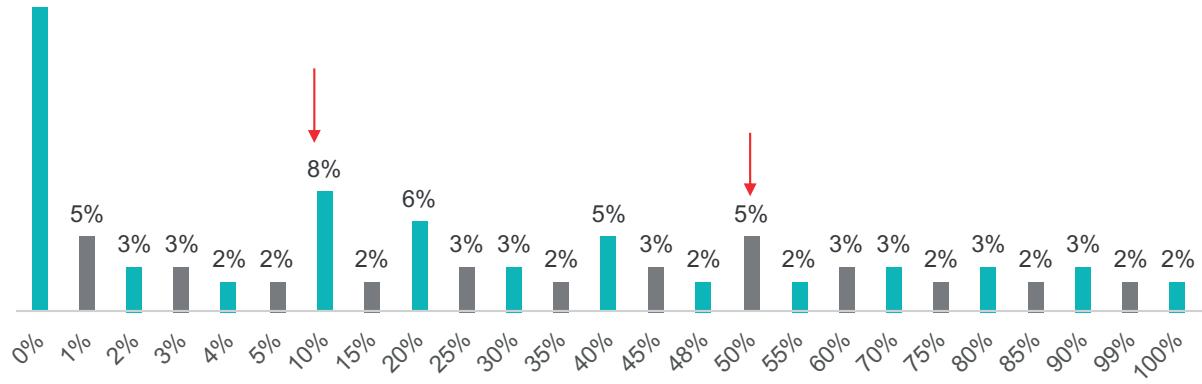
Approximately, how many matters do you handle on an annual basis?



A varied number of matters handled annually by respondents. 58 participants handle 50 per year, 60 people handle 100 and 17 handle 200.

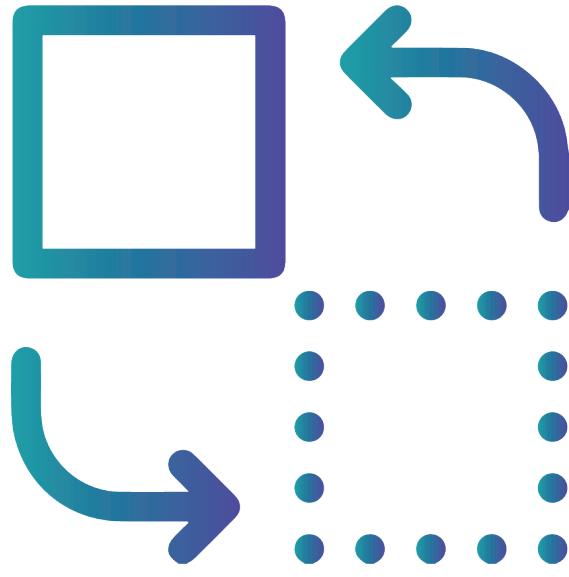


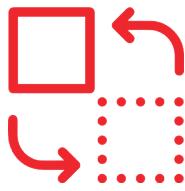
What percentage of your matters go to mediation?



A third of the sample do not have any matters that go to mediation. 8% of respondents reveal that only 10% of their matters go to mediation. 5% say that half of their matters go to mediation.

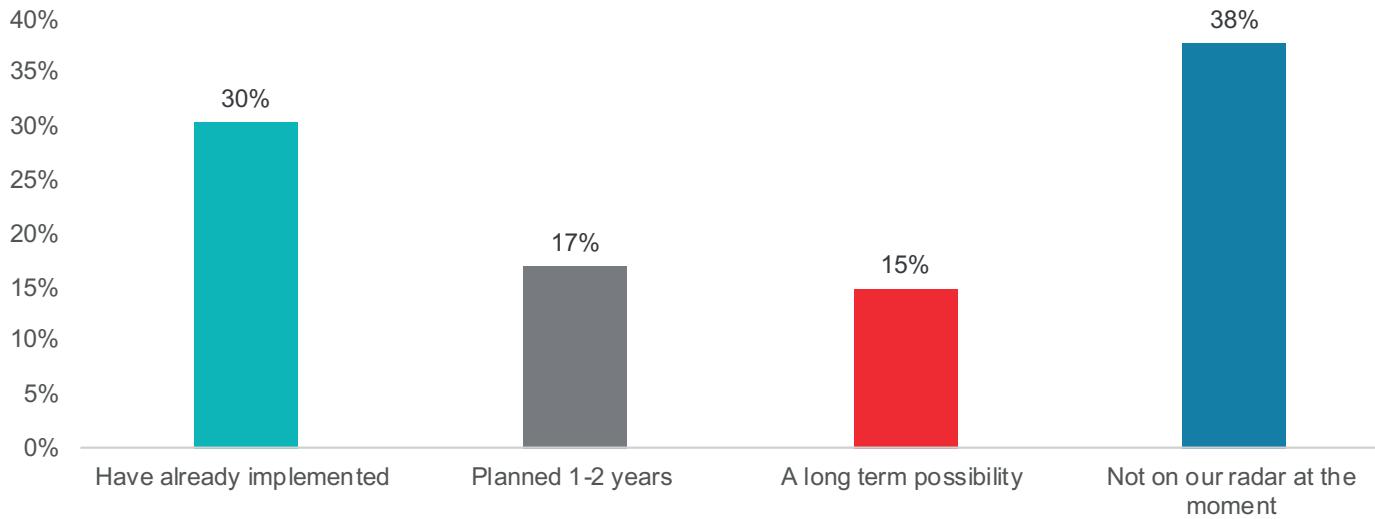
MAJOR CHANGES



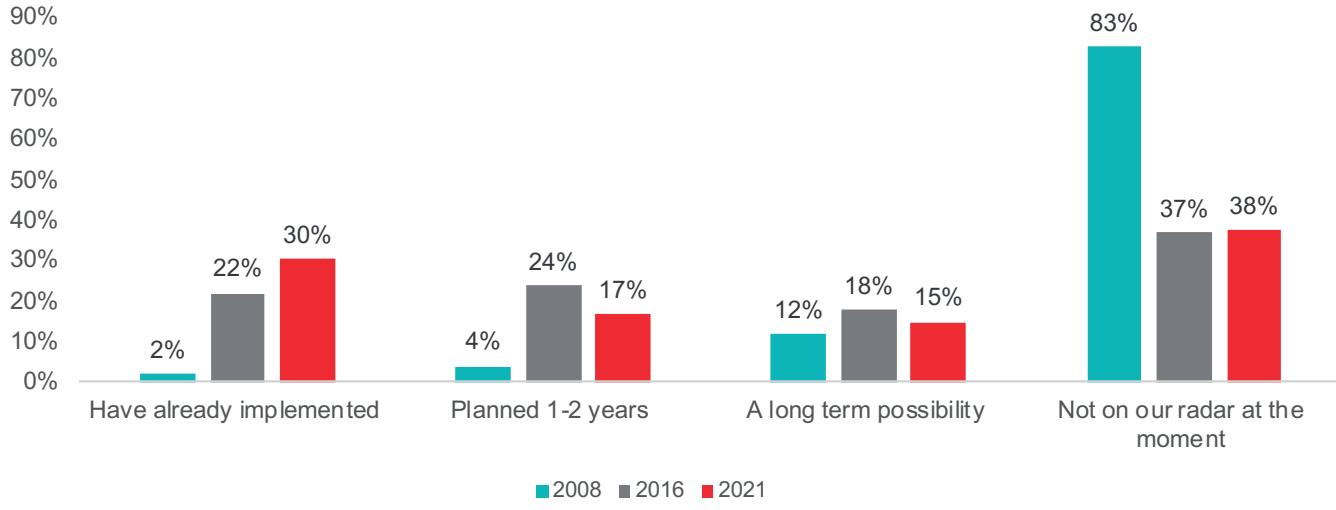


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

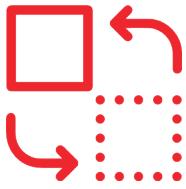
Changing business structure.



Almost a third of the respondents have changed their business structure in recent times.

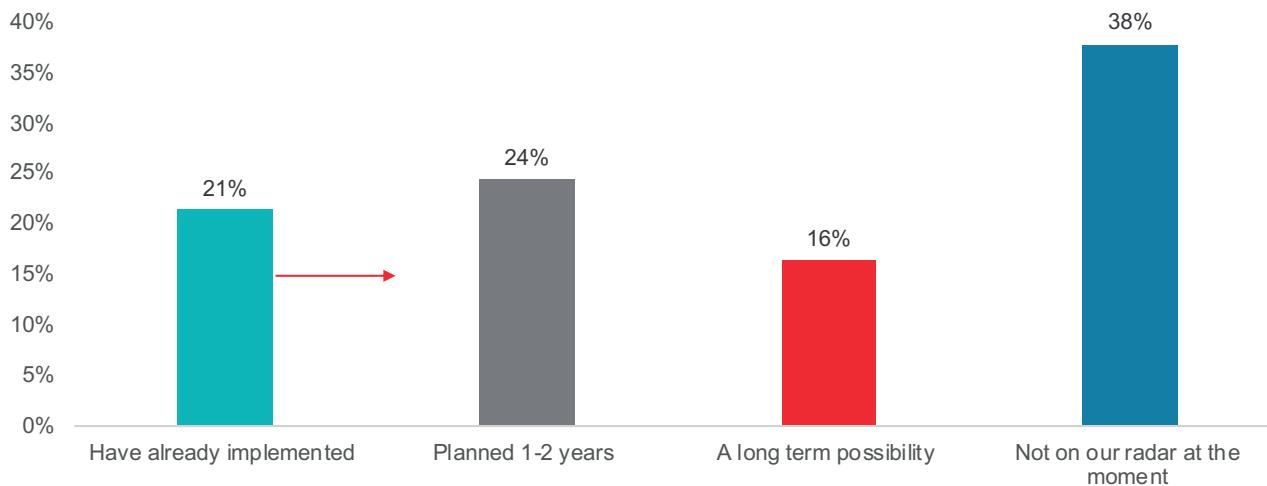


30% of the sample have changed their business structure and 17% maintain that it is planned in the short term. For most, however, it is not on the radar.

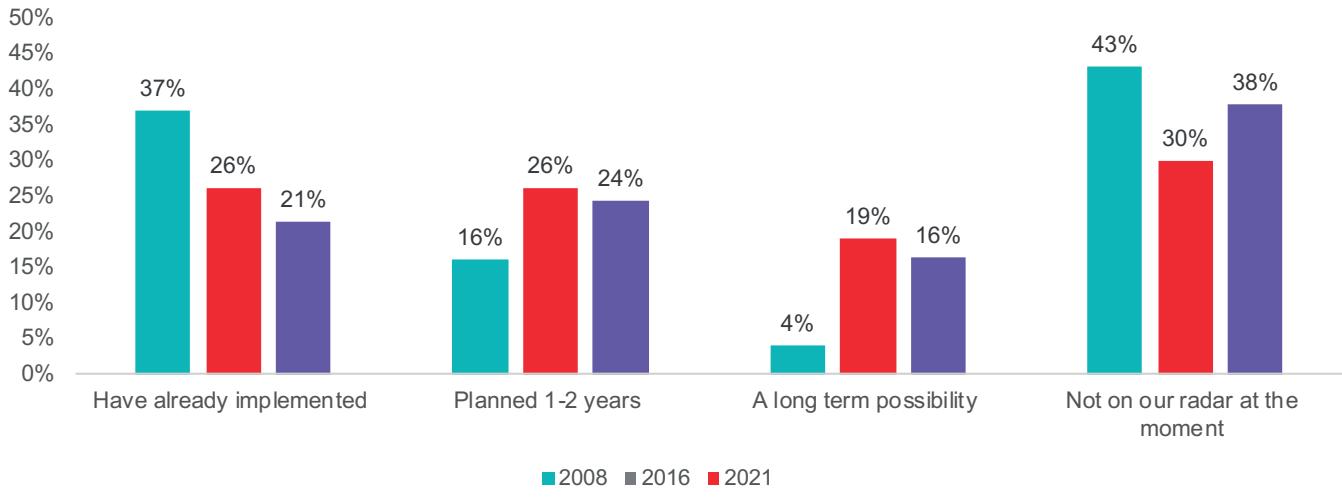


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

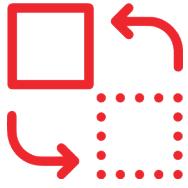
Increased investment in marketing.



Almost a quarter of the participants anticipate an increased marketing spend in the near future.

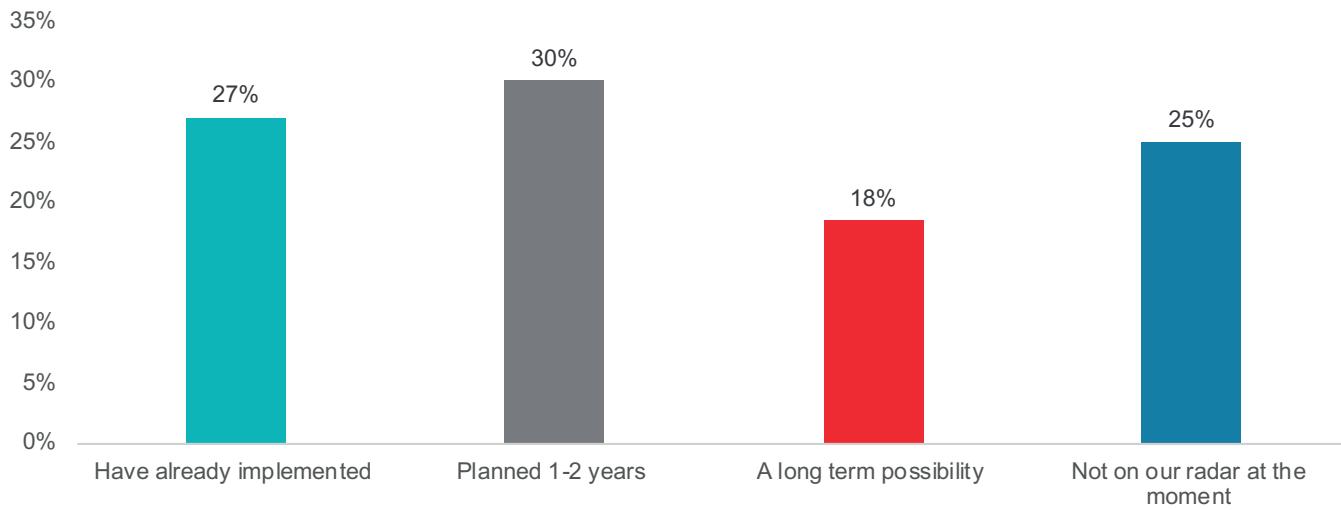


No clear trends regarding marketing spend across the 3 surveys.

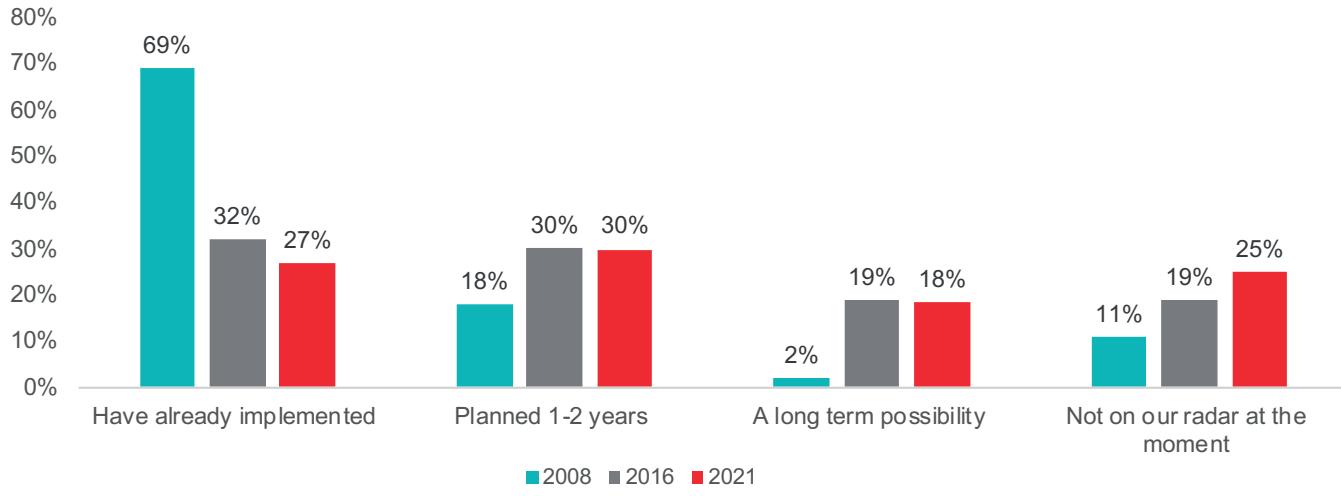


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

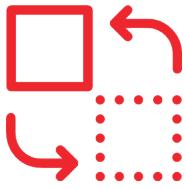
Increased investment in processes/technology.



Short term investment in processes and technology is in the pipeline for 30% of the sample and 27% maintain that they have already actioned this type of investment.

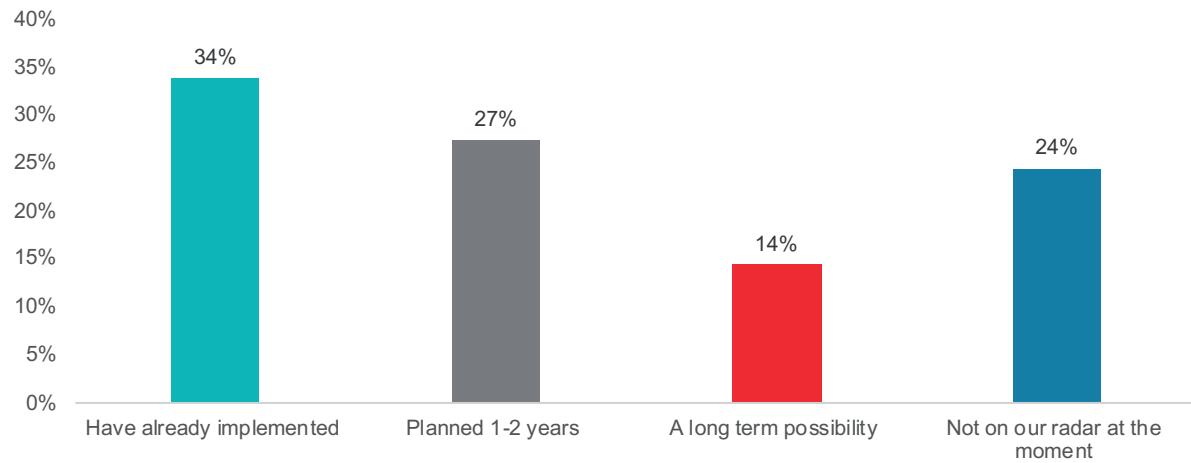


A notable dip in propensity to invest in processes and technology since 2008. Likewise a steady increase in firms who do not intend to on-board new tech.

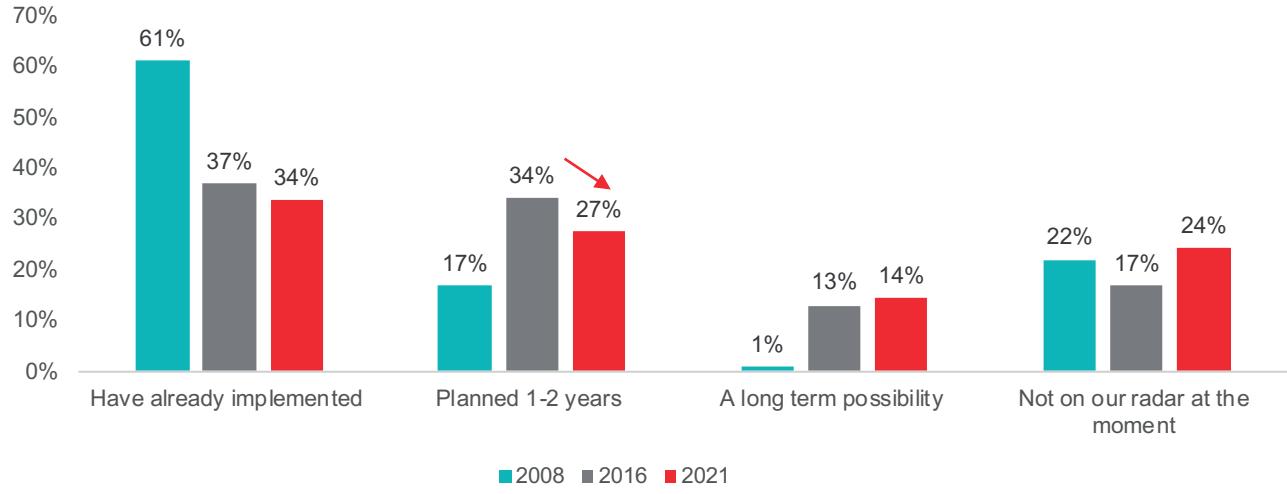


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

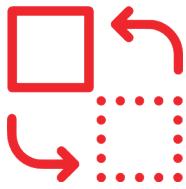
Increasing networking.



34% have increased networking recently and 27% have plans to develop their networks in the near future.

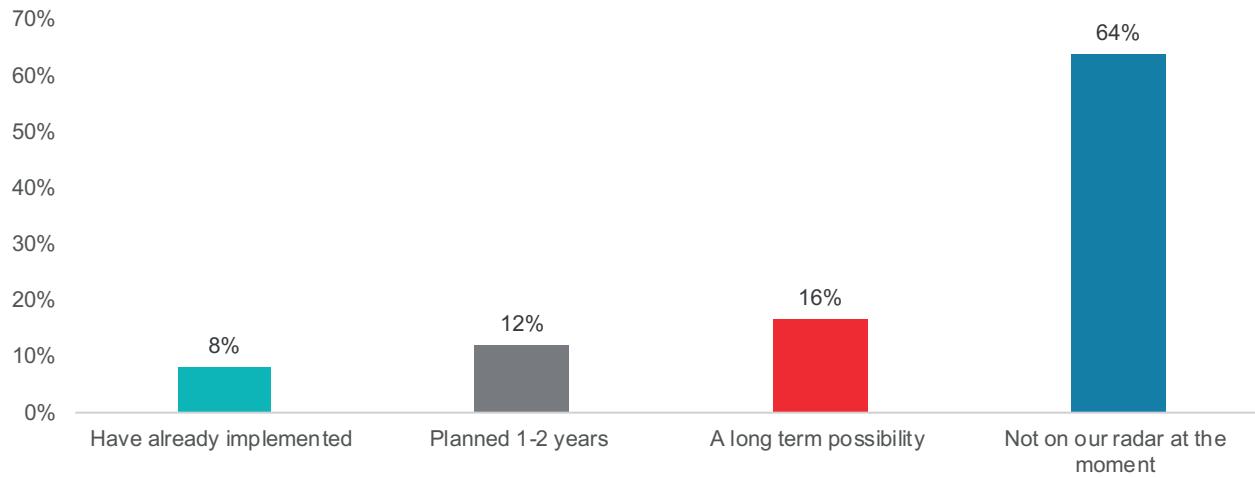


Plans to increase networking have dropped slightly in the past 5 years. Appetite for networking was significantly higher in 2008 than in the past 5 years.

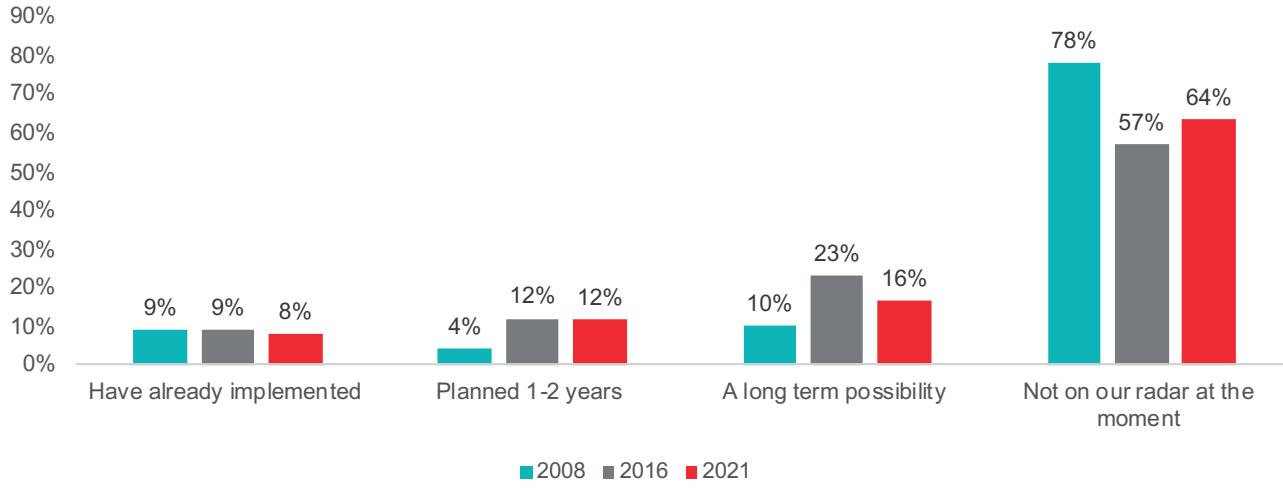


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

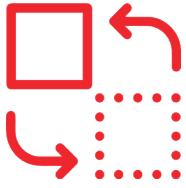
Joining an umbrella organisation/consortium.



Few respondents are contemplating amalgamating with a larger group.

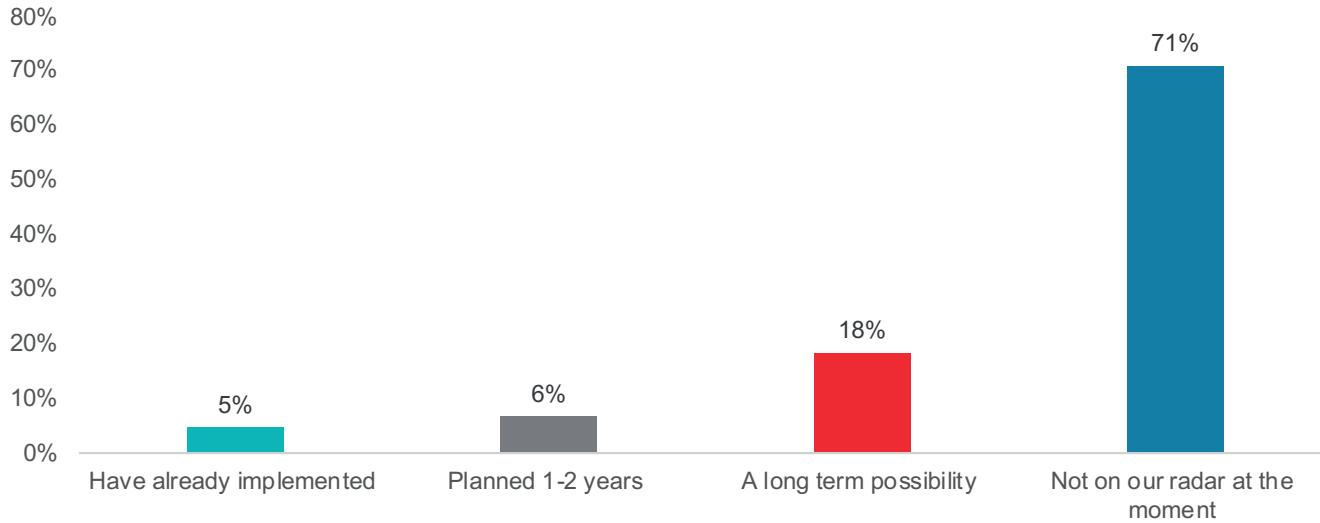


Joining an umbrella organization is/has not been on the radar for most respondents over the last two decades.

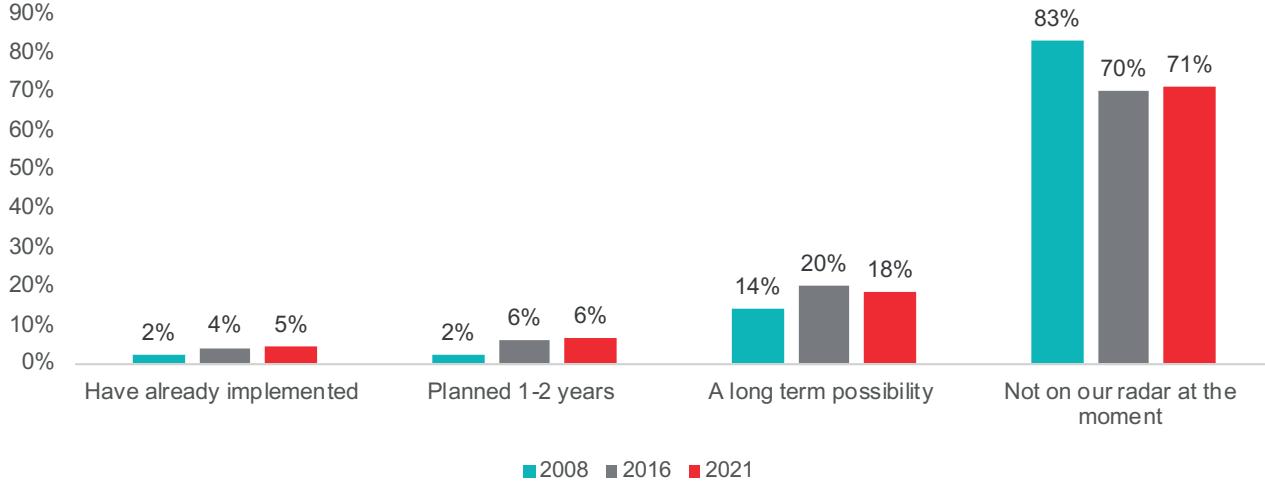


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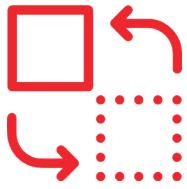
Merging with another practice.



Merging with another practice is not in the pipeline for most respondents.

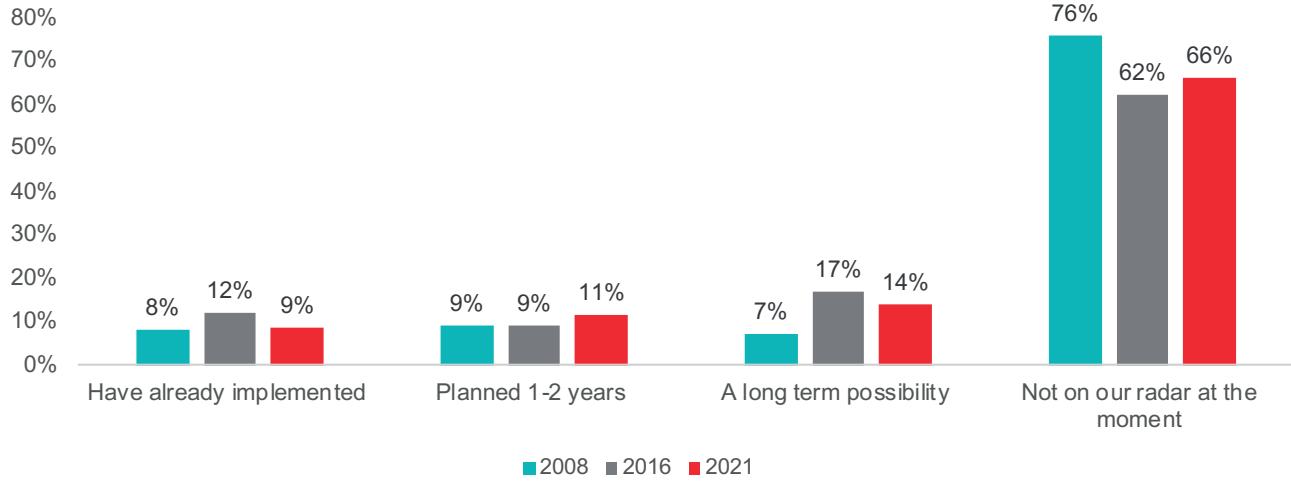
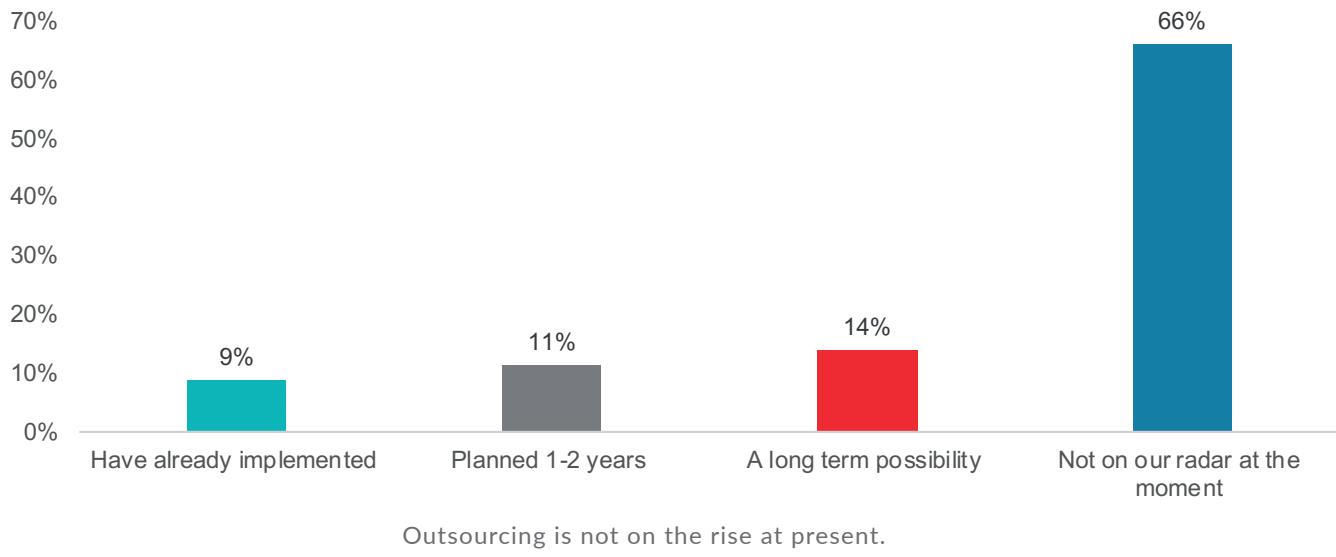


Mergers have not been a significant feature in the legal landscape over the past 23 years.

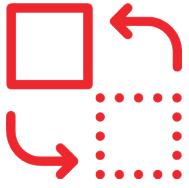


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

Outsourcing (marketing/ administration/compliance).

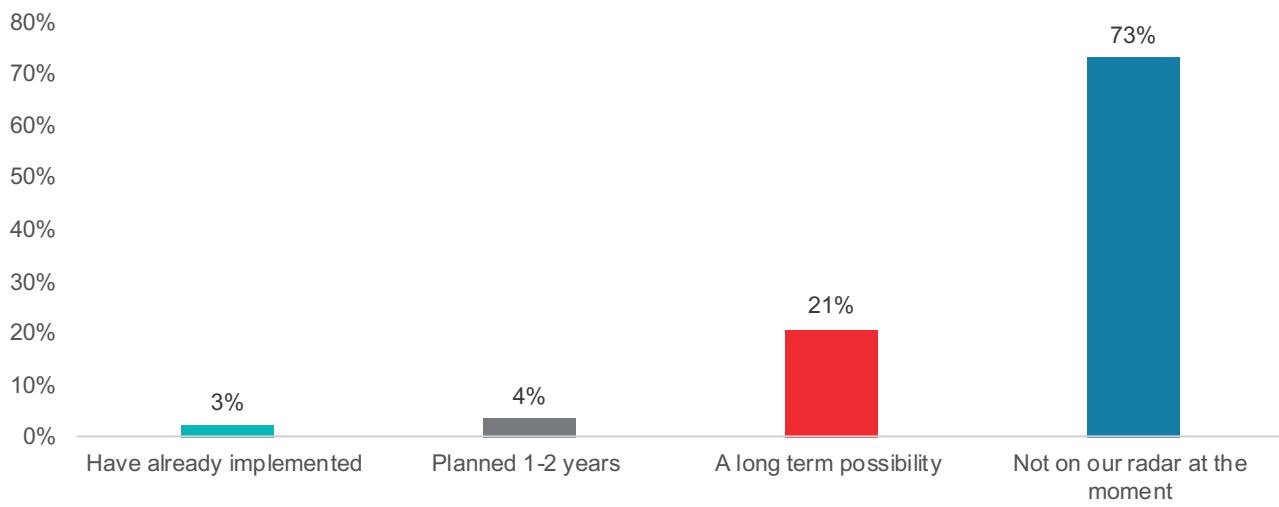


Outsourcing has not been prevalent among South African law firms since 2008 to date.

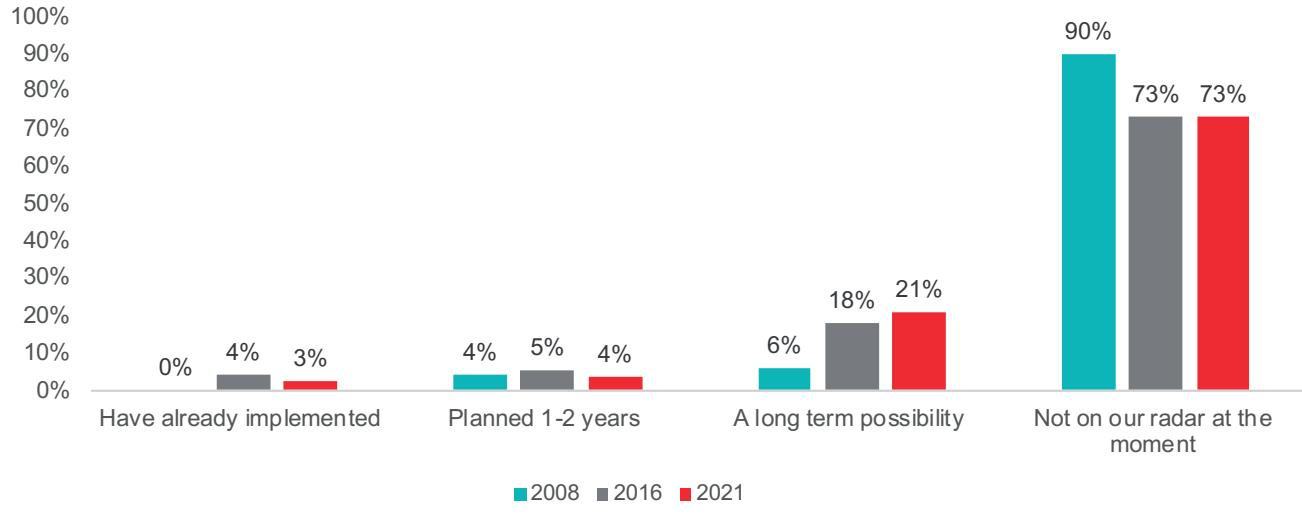


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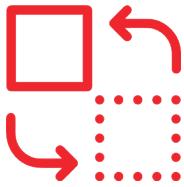
Taking over another legal practice.



Taking over another legal practice. Expansion plans are limited in 2021.

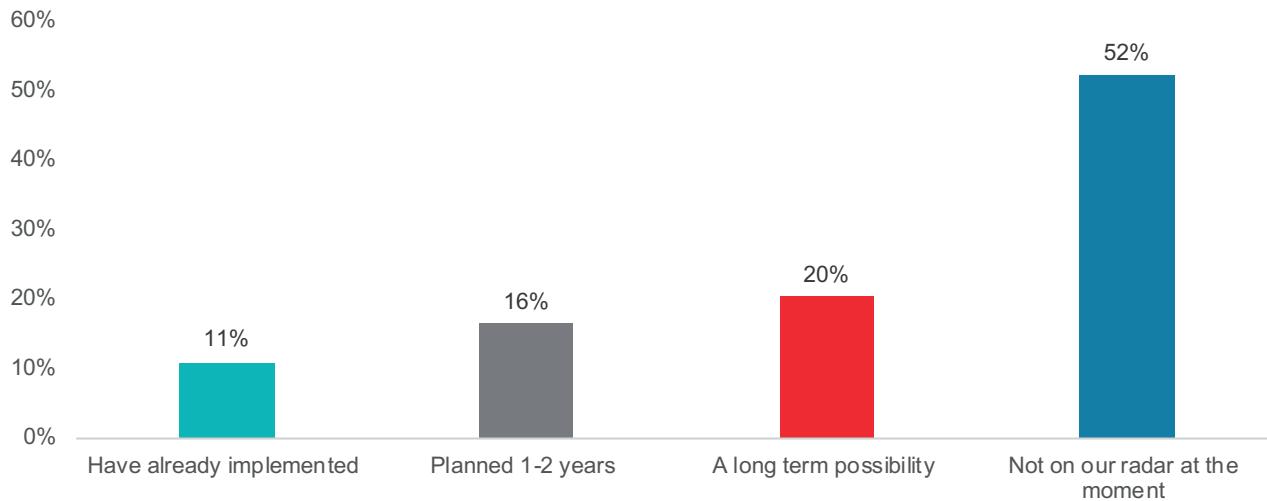


Acquisitions have not been a feature in the South African small law landscape since 2008.

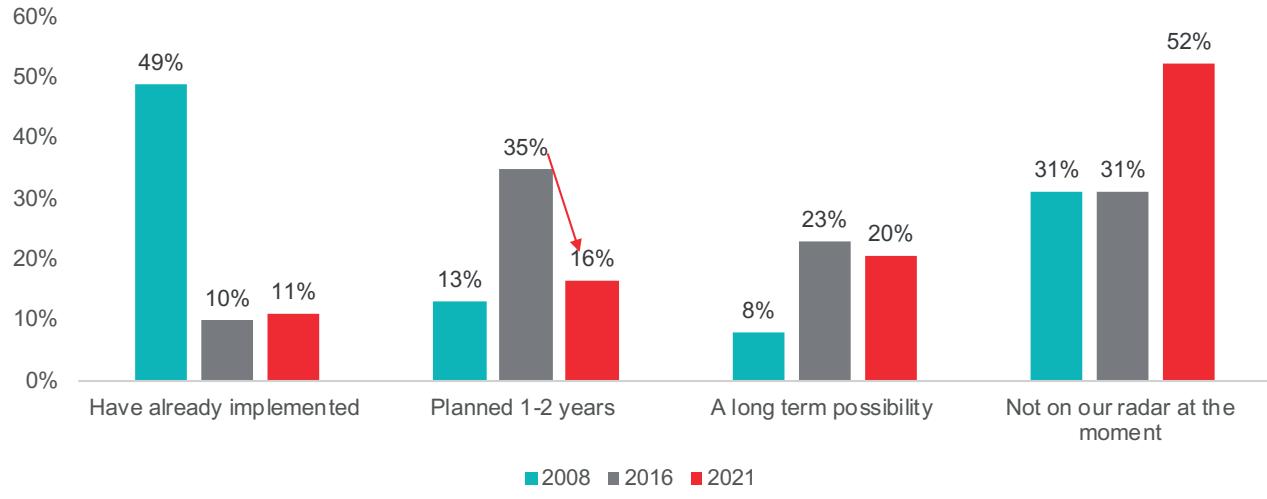


Major Changes That Other Law Firms Have Noted, And How Relevant They Are To The Respondents

Taking on more staff.

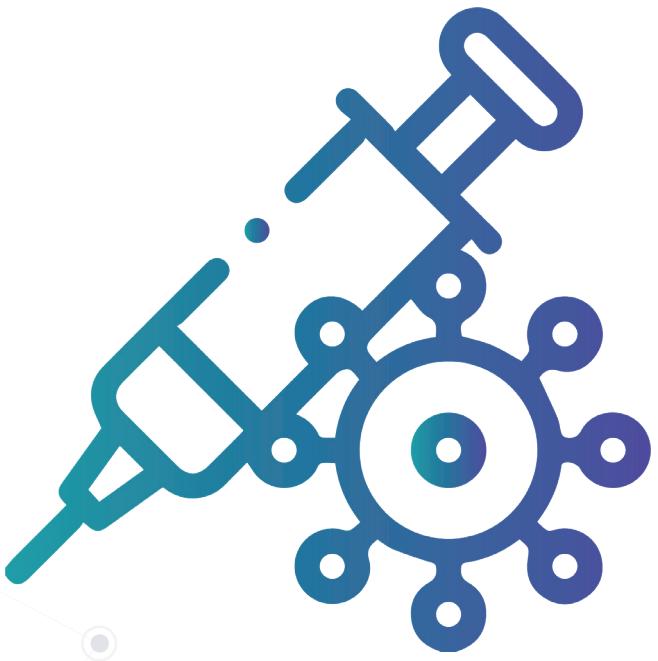


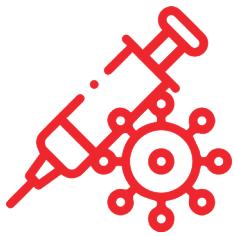
Team growth is evident by slow.



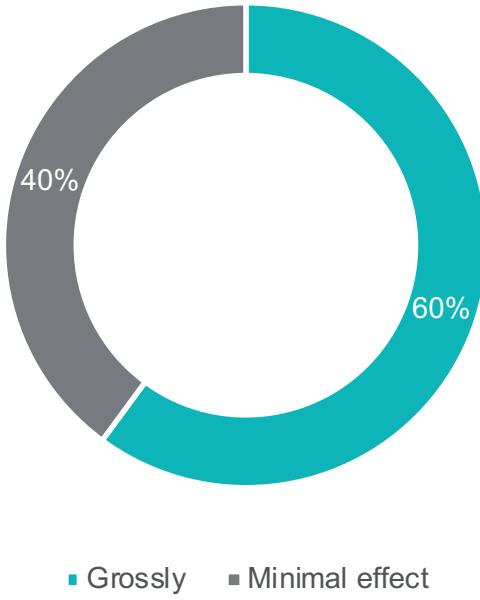
A 19% dip in planned team expansion between 2016 and 2021.

COVID 19





How has the pandemic impacted your law firm / practice?



60% the respondents maintain that their businesses were grossly impacted by pandemic.
Interestingly, 40% indicate minimal impact.

