

Press Release

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Deloitte Legal Study: Legal Services Market is Undergoing a Major Change. Clients Demand Comprehensive Services Going Beyond Strictly Legal Advice

- **52 % of businesses intend to obtain legal services from firms offering a broad range of professional services going beyond legal advice**

Prague, 21 June 2016 – According to the findings of a new global study “[Future Trends in Legal Services](#)” conducted by RSG Consulting and commissioned by Deloitte, the business market for legal services is undergoing a major change due to complex regulatory environments, increasing risk in many areas, and ongoing pressure to reduce costs. While the demand for legal services is growing overall, there is a need for a new type of advisors that offer a broader set of services going beyond strictly legal advice.

“With the changing needs of businesses, the market for legal services is changing dramatically. Purchasers of legal services are looking particularly for suppliers who have a better understanding of their industry or business, can provide strategic advice on related non-legal areas, offer multi-disciplinary cross-border services and make better use of technology” Jan Spáčil, Managing Partner of Ambruz & Dark Deloitte Legal, explains.

A growing market for legal services that go ‘beyond legal’

Overall, both demand and spend for legal services are growing. Particular areas are experiencing faster growth than others, including regulatory compliance (49%), M&A (42%) and litigation (39%). Global compliance is clearly one of the biggest challenges for in-house legal departments today, coupled with the necessity of “doing more with less”.

But the study also reveals that conventional law firms are no longer meeting today’s needs of businesses. The majority (55%) of participants in the study (legal counsel, general counsel – or CEOs and CFOs) have taken or are considering a significant review of their legal suppliers. Jan Spáčil comments: *“The research shows that, while expectations on services provided by external advisers are evolving, these expectations are not currently being met in a number of crucial areas, including the use of technology, transparency in pricing, and the level of integration of professional advisory services.”*

One in three legal services purchasers surveyed want their legal services provider to bring industry, commercial and non-legal expertise. In addition to the delivery of specific legal services, respondents said their legal services provider should contribute advice and expertise which goes beyond legal (33%) and more proactive knowledge sharing (18%).

Josef Kotrba, Managing Partner of Deloitte Czech Republic, explains: "Currently, there is a great demand for legal firms that would provide a broad range of services going beyond legal advice, including audit, tax, financial and other services, which is exactly what Deloitte is doing. The advantage of such comprehensive offering of services is that lawyers are able to combine their area of expertise with other professional areas. As a result, clients are provided with a comprehensive service based on the interdisciplinary combination of services, which is exactly what an increasing number of businesses are looking for".

5 key trends in the purchasing of legal services:

- 1. Integrated cross-border advice beyond legal:** A large majority of participants expressed the need for more than just legal service. They want law firms to be more savvy on global data and cyber security protection and more pro-active in sharing knowledge across many jurisdictions. Traditional law firms are seen to be trailing other professional services firms in this area.
- 2. Better and greater use of technology. The majority of participants said that technology had not replaced the tasks of in-house lawyers (77%) – yet.** But over half (52%) said that this will happen over the next five years. Purchasers want better and more relevant technologies, to be used and shared on integrated platforms.
- 3. Regulatory and global compliance advice.** Nearly half (49%) of all participants said that their department's legal spend was growing in the area of regulatory compliance. In particular, global compliance is perceived as a major issue for in-house lawyers, with over a quarter (26%) saying it is the biggest challenge within their department.
- 4. Fixed fees, value pricing and greater transparency.** A large majority of participants said they wanted greater certainty and transparency when it comes to billing, and frequently mentioned fixed or capped fees or value-based pricing.
- 5. Demand for alternative or non-traditional legal service providers.** A majority (55%) of participants in the study have taken or are considering a significant review of their legal suppliers. More than half (52%) said they are willing to purchase legal services from a non-traditional law firm that offers a range of professional services.

About the "Future Trends in Legal Services" Study

The study was conducted by RSG Consulting and commissioned by Deloitte Legal, the legal practices of Deloitte & Touche LLP. It comprises a quantitative web-based survey with 243 purchasers of legal services in-house, mainly occupying positions such as CEO, CFO, and General or Legal Counsel. The quantitative survey responses are backed up by 30 in-depth qualitative interviews with senior legal service purchasers in global corporations across different industries. The field work took place between September 2015 and February 2016.

More information on the study is provided [here](#).

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