

# LEGAL MANAGEMENT

THE MAGAZINE OF THE ASSOCIATION OF LEGAL ADMINISTRATORS

## Facts & Stats



### BIGGEST THREAT TO DATA SECURITY? HUMAN ERROR

According to the [\*2016 Data Security Incident Response Report\*](#) by BakerHostetler, human error continues to be a significant source in data security incidents, with phishing/hacking/malware actually taking the No. 1 spot, accounting for about **31 percent** of incidents. However, the report notes that “when we looked at the underlying issues that enabled many of the phishing/hacking/malware incidents to succeed, they could often be attributed to human error in some way, so in a way our numbers show that human error is a factor **over half of the time.**”

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### OVERHEARD

*For **74 percent** of paralegals, direct supervision is provided by an attorney or office administrator, according to paralegal association NALA's 2015 Paralegal Utilization and Compensation [survey](#). Paralegal administrators oversee **7 percent** of professionals in the industry.*

Read more in our cover story, “[\*The Paralegal Impact\*](#).”



The percentage of lawyers who say their firms have used litigation finance — four times as many as in 2013.

Read more of Burford Capital's 2016 Litigation Finance Survey [here](#).

## QUICK STATS ON THE LEGAL LANDSCAPE

Altman Weil's 2016 Law Firms in Transition Survey was recently released. Some key findings:

1. **Erosion of Demand:** Market demand for legal services has failed to return to prerecession levels in over 60 percent of U.S. law firms; 62 percent of firm leaders believe that erosion of demand will be a permanent trend in the legal market.
2. **Surplus of Lawyers:** Law firms report that half of their equity partners and more than 60 percent of their nonequity partners are not sufficiently busy, creating an ongoing drag on law firm profitability.
3. **Clients as Competitors:** Corporate law department insourcing is taking work from 68 percent of law firms, including 84 percent of firms with 250 or more lawyers.
4. **Inefficient Delivery of Legal Services:** Although 94 percent of law firm leaders identified the need to improve the efficiency of legal service delivery as a permanent trend, only 43 percent of firms have significantly changed their approach to achieve greater efficiencies.
5. **Price Competition:** 95 percent of law firm leaders think more price competition is a permanent trend in the profession, but only one-third of law firms are changing their approach to pricing strategy.
6. **Resistance to Change:** When asked why their firms aren't doing more to change the way they deliver legal services, the top response from 64 percent of firm leaders is that their partners resist most change efforts — up 20 points from last year.

Download the complete [survey](#) here.

## 2016 SPECIALTY CONFERENCES



**Law Firm Management Essentials**  
August 24–26, Chicago, IL



**Intellectual Property Conference for Legal Professionals**  
September 15–16, Washington, DC



**Corporate Law Department Symposium**  
September 15–16, Washington, DC

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