

Sole practitioners' and small firms' use of technology and innovation

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Research for the Solicitors Regulation Authority by Thinks Insight & Strategy

Research summary



<https://guidance.sra.org.uk/sra/research-publications/sole-practitioners-and-small-firms-use-of-technology-and-innovation-summary/>

Read the summary report (<https://guidance.sra.org.uk/sra/research-publications/sole-practitioners-and-small-firms-use-of-technology-and-innovation-summary/>)

Background

Technology is rapidly transforming how legal services are delivered. As well as huge opportunities, law firms face increasing challenges in keeping pace with the advancement of Artificial Intelligence (AI).

We are [committed](https://guidance.sra.org.uk/sra/corporate-strategy/business-plans/) to encouraging the use of technology that improves the delivery of legal services and access to them. In 2021 we commissioned [research on the adoption of new technology in the legal sector](https://guidance.sra.org.uk/sra/research-publications/technology-innovation-in-legal-services/). Since then, we have invested time in our own SRA Innovate programme, meeting innovators, law firms and solicitors to hear about the impact new technology is having on the sector. And supporting the development and adoption of innovation and technology in the sector. Thanks to funding from the Regulators Pioneer Fund (RPF), we have run programmes designed to improve access to justice, using technology.

One issue always stands out: small firms face [unique challenges or have varying levels of interest](https://guidance.sra.org.uk/sra/research-publications/clients-changing-legal-market/) in adopting new technology compared to larger firms. Yet small-sized firms are the gateway to legal services for many people. We wanted to better understand the needs of sole practitioners and small firms when it comes to using technology and innovating. As well as identifying our role as a regulator in supporting them to innovate in the interest of consumers.

We commissioned Thinks Insight & Strategy to conduct independent research into how small firms and sole practitioners use technology, their views on innovation and the support that they would most value.

The research

The study focused on sole practitioners and law firms with four or fewer partners and a turnover below £400,000.

We carried out a four-phase study:

- Evidence review of existing research.
- In-depth interviews with six legal and technology experts, 14 sole practitioners and small firms, and eight technology providers.
- Survey of 138 small-sized firms.
- Collaborative session bringing together legal professionals and technology providers to explore initiatives and ideas to help small firms.

Key findings

The research revealed important insights into how sole practitioners and small law firms use and think about technology and innovation more generally.

Innovation is intertwined with technology

The respondents considered a broad spectrum of products and tools as part of technology and innovation. However, they view innovation as being closely associated with technology.

High awareness of technology but uneven adoption

Nearly all respondents were aware of common technologies (like accounting software and e-signatures). Almost all surveyed also used some form of technology or innovation, such as communications software, accounting software and cloud computing. Non-technological innovations are also taking place, such as use of new marketing channels to reach new clients.

However, awareness, and especially adoption, of newer tools like GenerativeAI (genAI) and legal chatbots was lower. Just 12 per cent of respondents had adopted genAI, though many expect to use new technology in the coming year.

Challenges in technology adoption journey

In general, the research participants highlighted three key barriers to adopting technology:

- cost
- uncertainty - both in what they need and what can meet their needs
- reluctance to invest in technology that quickly becomes outdated or non-compliant.

Many of the respondents stated that they lacked time, technical knowledge or confidence to choose the right technology. They often relied on advice from peers but felt overwhelmed with options. They felt that they were without clear information on what is compliant or good value. These concerns were more pronounced for newer technology like AI.

Respondents also faced challenges in setting up and integrating new technology with existing system and tools. However, once embedded, they were confident in using it.

Despite the challenges, small firms and consumers value technology

Despite the challenges, most respondents recognised that technology could bring benefits; especially in improving efficiency and client service. Many also saw its potential to improve access to justice and reduce costs for consumers.

Respondents also believed that consumers, especially individuals, expect legal services to be available online, fast and affordable. Technology helps meet these needs, but some respondents struggled to support vulnerable consumers who find digital services hard to access.

Potential solutions

Research participants identified initiatives they believed could support sole practitioners and small firms to embrace technology and innovation, including:

- clear, impartial guidance on choosing and using technology
- case studies about similar firms adopting technology
- networking opportunities to learn about innovation, new technologies and to compare different options based on requirements access to third party support and funding.

Next steps

It is clear from the research that small firms and practitioners want to embrace technology but often face challenges in doing so. Adopting technology and innovating can deliver real benefits to consumers.

Small firms and sole practitioners face challenges in procuring and integrating new technology in their work. Our research highlights how there are many actors in the legal sector that can help small firms overcome these challenges.

Most importantly, as part of our approach to communicating the findings from this research, we will engage with stakeholders on the research findings, to highlight that there are steps that key actors in the legal sector can take. These can help to make a difference to promoting innovation and technology within smaller firms to benefit consumers of legal services.

Although only one part of the picture, there are specific actions that the SRA is taking. We continue to deliver our [SRA innovate](https://guidance.sra.org.uk/innovate) [https://guidance.sra.org.uk/innovate], programme, including our [events programme](https://guidance.sra.org.uk/news/events/) [https://guidance.sra.org.uk/news/events/], aimed to help small and medium-sized firms learn about the practical benefits of technology. Firms highlighted that sharing case studies is something they want more of, so that they can learn how similar firms have adopted technology. We have published a series of short case studies from this research, demonstrating how small firms have successfully implemented innovation and technology. We plan to add to these case studies over time to further illustrate how firms are innovating.

Small-sized firms want more information to understand the opportunities, and risks, that new technologies and innovation present. Firms also recognise that this is an evolving area, and that there will be new opportunities, and risks, as technology continues to develop. We will continue to update and enhance the resources on our website, including frequently asked questions, and signpost to external information that we believe would be useful for firms to consider. We are also developing other resources on AI, and genAI, as we know that this is an area that our regulated community want more information on.

[Download the full report \(PDF 79 pages, 1MB\)](https://guidance.sra.org.uk/globalassets/documents/sra/research/small-firms-technology-and-innovation-thinks-report.pdf) [https://guidance.sra.org.uk/globalassets/documents/sra/research/small-firms-technology-and-innovation-thinks-report.pdf]