

TRACUMENT SOLUTIONS INC.



2023 LEGAL REPORT



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ABOUT TRACUMENT SOLUTIONS INC

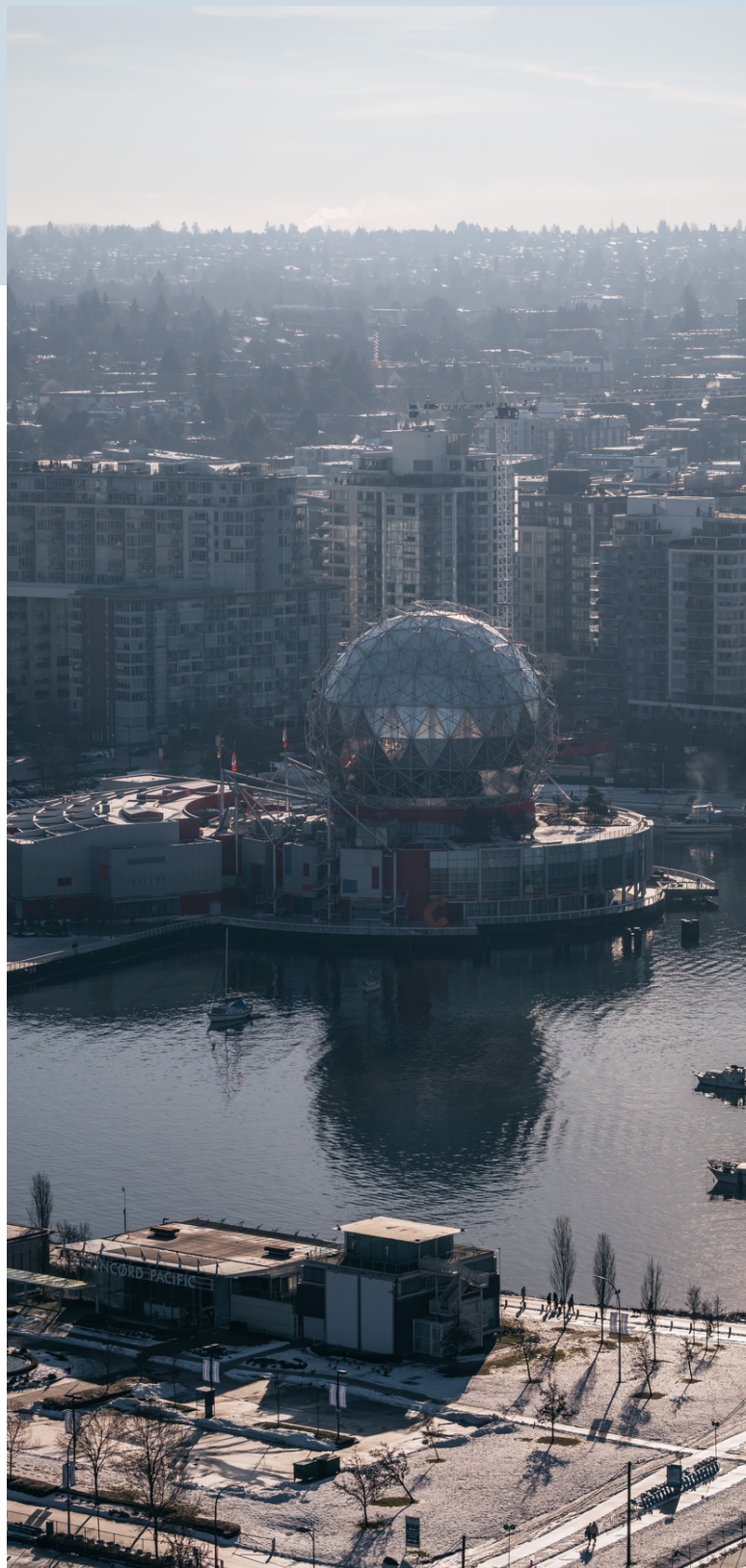
Founded in Vancouver in 2013, Tracument is a web-based suite of products designed to help legal professionals send, receive, and collect documents.

Many law firms are concerned about meeting their professional obligations with regard to security and client privacy. Our platform allows professionals to update inefficient legacy systems and methods of delivery, such as fax, mail, and couriers, and provides new and unique ways of sending and receiving documents and files.

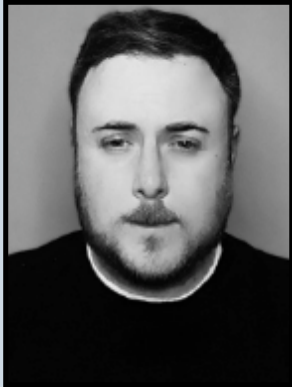
This is also an area prone to human error and requires a significant amount of non-revenue producing staff time. Our platform centralizes and automates this area of practice giving firms better control and oversight.

Methods available to law firms to send and receive documents are slow to keep up with the world outside the legal profession.

Tracument is here with leadership, expertise and a solution.



OUR TEAM



David is the CEO and Managing Director of Tracument Solutions Inc. and one of its founders.

He previously ran an Insurance Defence law firm in Vancouver, BC. During that time, his focus was on reducing non-revenue producing staff time and ensuring that all activities undertaken by any level of staff added as much value as possible. He brought in new technology and redesigned processes such that the firm was able to move from a support staff ratio of 1.5 for every lawyer to about 0.75 for every lawyer.

Tracument's platform is an extension of that work.

David Swadden

DAVID SWADDEN
CEO & FOUNDER



Heidi has a background in both Economics and Business Administration & Management.

She is responsible for day-to-day operations at Tracument and specialises in process improvements, human resources, and program efficiencies.

Heidi joined Tracument in 2017 and has worked in almost every aspect of the company, making her an excellent resource for staff and clients alike.

Heidi Fagalde

HEIDI FAGALDE
OPERATIONS MANAGER

OUR TEAM



As the company's Director of Client Operations, Linda came to Tracument experienced in both data management software and client services.

She is responsible for planning and managing client projects, and building client confidence. She oversees all aspects of client interaction and leads a strong team in concert with web development to ensure client expectations are met.

Her experience at companies like Primafact, coupled with her apt for client communication allows her to easily recognize areas for growth.

Linda Simpson

LINDA SIMPSON
DIRECTOR OF CLIENT
OPERATIONS



Pei-Chyi develops, implements and executes strategic marketing plans.

Her experience and creative mind allow the unique voice of the company to be accurately conveyed across diverse platforms.

Her speciality and skill in the digital realm have also assisted companies and charities in both Vancouver and Ontario expand their reach.

**While no longer with the Tracument team, Pei-Chyi made a valuable contribution to the creation of this report.*

Pei-Chyi Hung

PEI-CHYI HUNG
MARKETING MANAGER

INDUSTRY BASICS

The past 3 years has seen legal sector workers sent home to quarantine, with many choosing to reconfigure to a work-from-home (WFH) or hybrid work model. This unprecedented change propelled the legal field to adopt new technology and new ideas that would previously have taken years.

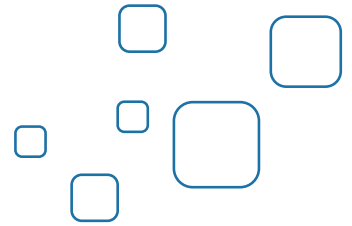
With the pandemic now receding, a generational gap between seasoned legal professionals and junior talent is becoming more apparent. People are more willing to leave their jobs in search of more money, more flexibility, and more happiness.

As law firms move to a post pandemic model, many still struggle with workplace expectation, but that doesn't mean there aren't solutions,

The effectiveness of traditional legal tools now pale in comparison to their newer technological alternatives. Firms have embraced legal technology, but have they adopted the right ones in order to meet the challenges produced post Covid-19?



THE DATA



Keeping up with the pace of change in the legal profession is paramount. In our pursuit of understanding the nuanced dynamics at play, we conducted a legal survey that received over 400 responses from legal professionals across Canada.

Most respondents practise some form of litigation/LTD due to the nature of our services and the fact that litigation is the most commonly-practised type of law. However, respondents came from all types of practice, including Insurance Defence, Corporate or Commercial and Real Estate.

This data serves as a trove of insights into the current state of the legal industry. As we delve into the findings, we will explore the transformative trends and resilient strategies that define the Canadian legal realm in a “post” pandemic realm.



Lawyers

43% of participants noted the number of lawyers at their firm were between 11-25.



Practice

Personal Injury/LTD was listed as the top practice area by 54%.



Age

44% of respondents were between the age of 18-34.

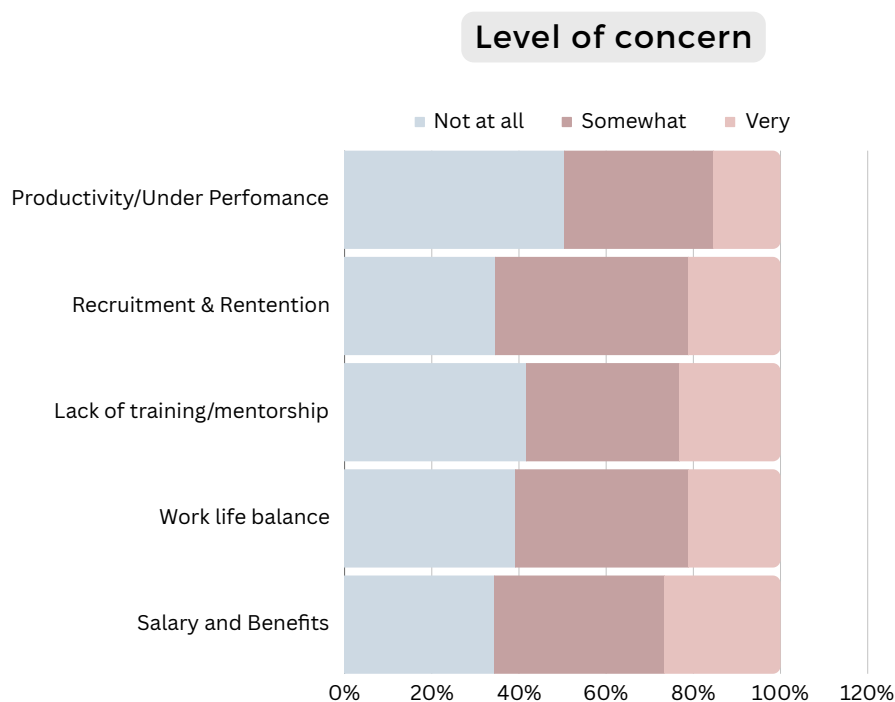
SURVEY QUESTIONS

This survey was particularly interested in the concerns regarding Human Resources, Revenue, Operations, Technology, and Outside Factors since the pandemic. It comprised 9 key questions and collected data from all sizes of law firm and all levels of law firm employees. The next section presents the response data for each question.

HUMAN RESOURCES

HOW CONCERNED ARE YOU THAT EACH OF THE FOLLOWING WILL AFFECT YOUR INDIVIDUAL PRACTICE, OR YOUR FIRM'S OVERALL SUCCESS?

- **Productivity Is a Priority:** Notably, 49.66% of respondents exhibited high levels of concern about employee productivity and underperformance.
- **Recruitment and Retention:** The survey found a balance between concern and confidence in managing staff changes, as employee recruitment and retention concerns were evenly distributed.



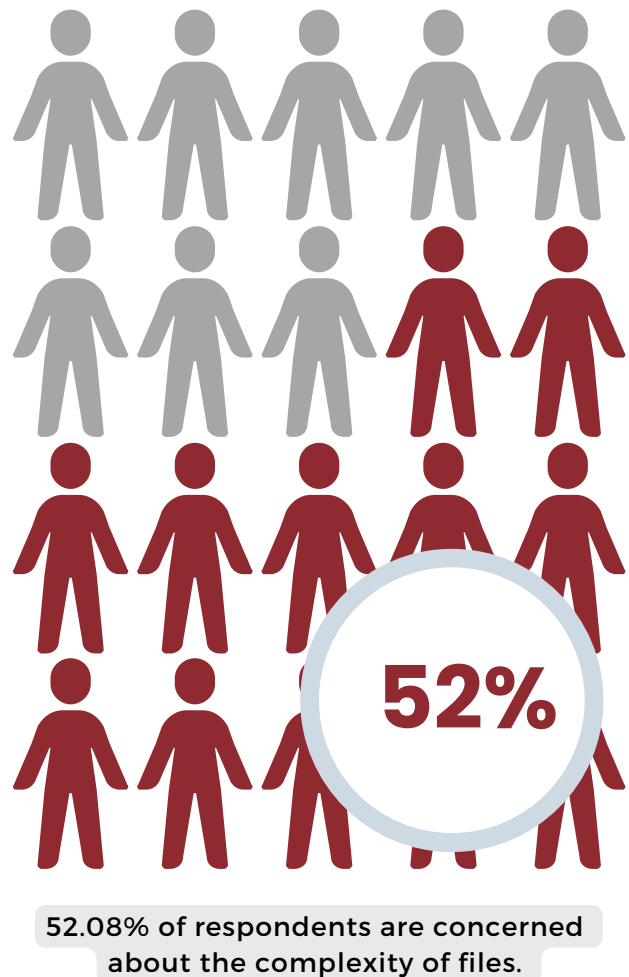
- **Training and Mentorship:** Legal professionals expressed concern about the quality of training and mentorship programs, emphasizing the importance of ongoing professional development in the legal sector.
- **Balancing Work and Life:** Respondents had mixed feelings about work-life balance expectations, particularly in the context of remote work arrangements. Only 39.24% were not at all concerned.
- **Salary and Benefits:** The distribution of concerns related to salary and benefits were relatively similar. Almost 30% of respondents expressed a high levels of concern.

CLIENT/ REVENUE

HOW CONCERNED ARE YOU
THAT EACH OF THE FOLLOWING
WILL AFFECT YOUR INDIVIDUAL
PRACTICE, OR YOUR FIRM'S
OVERALL SUCCESS?

Notable observations relating to client/revenue include:

- **File Complexity:** Legal professionals are increasingly concerned about the growing complexity of files, with 37.15% somewhat concerned and 14.93% very concerned. This highlights the challenges of handling intricate legal matters.
- **Client Expectations:** The majority of respondents (80.90%) expressed they did not have high concern over rising client expectations.
- **Alternative Fee Agreements:** A majority (52.08%) of legal professionals reported no significant concern about the increasing price sensitivity or the expectation of alternative fee agreements.
- **Client Loyalty:** The majority of legal professionals (57.64%) indicated that they are not at all concerned about decreasing client loyalty or client departures. This suggests that a significant portion of the surveyed professionals may feel secure in their client relationships and believe that client departures are not a major issue for them.
- **Complex Client Acquisition:** While a significant portion (47.57%) of legal professionals are not at all concerned about the complexities and expenses associated with client acquisition, there is a notable subset that acknowledges these challenges to varying degrees.



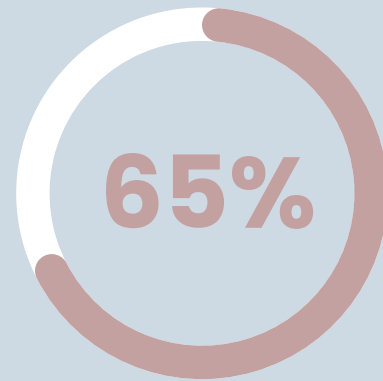
OPERATIONS

HOW CONCERNED ARE YOU THAT EACH OF THE FOLLOWING WILL AFFECT YOUR INDIVIDUAL PRACTICE, OR YOUR FIRM'S OVERALL SUCCESS?

- **Systems and Processes:** (41.32%) of respondents indicated that they are not at all concerned about inadequate firm systems and processes. This suggests a greater percentage (58.68%) have some level of concern regarding the efficiency and effectiveness of their current systems and processes within the firm.

Human Error and Mistakes:

Only 35.42% expressed no level of concern, leaving almost 65% of respondents who do. This highlights the awareness of and importance in error reduction strategies.



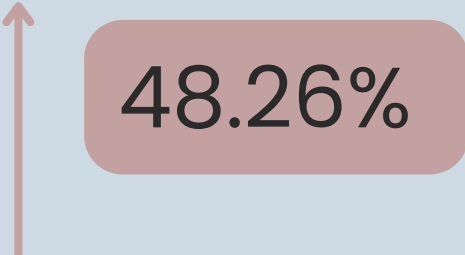
64.58% express some level of concern about Human Error and Mistakes

- **Adherence to Systems and Processes:** A significant portion of legal professionals (39.58%) indicated that they are not at all concerned about inadequate adherence to existing systems and processes. However, an almost equal percentage (40.28%) of legal professionals expressed a moderate level of concern
- **Inflation and Cost Increases:** Only 28.13% indicated that they are not at all concerned about inflation and cost increases, emphasizing the impact of economic factors on operational considerations.
- **Long-Term Planning Challenges:** The majority of professionals (63.89%) expressed some level of concern about long-term planning becoming more difficult, acknowledging some level of worry about the challenges and uncertainties that may impact their ability to plan for the long term..

TECHNOLOGY

- **Effective Technology Use:** 44.10% indicated that they are not at all concerned about the insufficient or inefficient use of technology. 55.9% have some level of concern.
- **Training Needs:** A significant 57.99% are concerned in some capacity in regards to a lack of adequate training on firm's existing technologies, highlighting a need for ongoing education.
- **Compliance Concerns:** 55.21% are not at all concerned about compliance with security policies among staff, although 44.79% express some level of concern, signalling a need for continued emphasis on compliance.
- **Integration Challenges:** While only 17.36% are very concerned, 35.76% express a moderate level of concern indicating a need for attention to seamless technology integration within legal practices.

Security and IT Resources: While a majority are not concerned about inadequate security/IT resources and policies, there is a notable 48.26% who express a moderate to high level of concern.



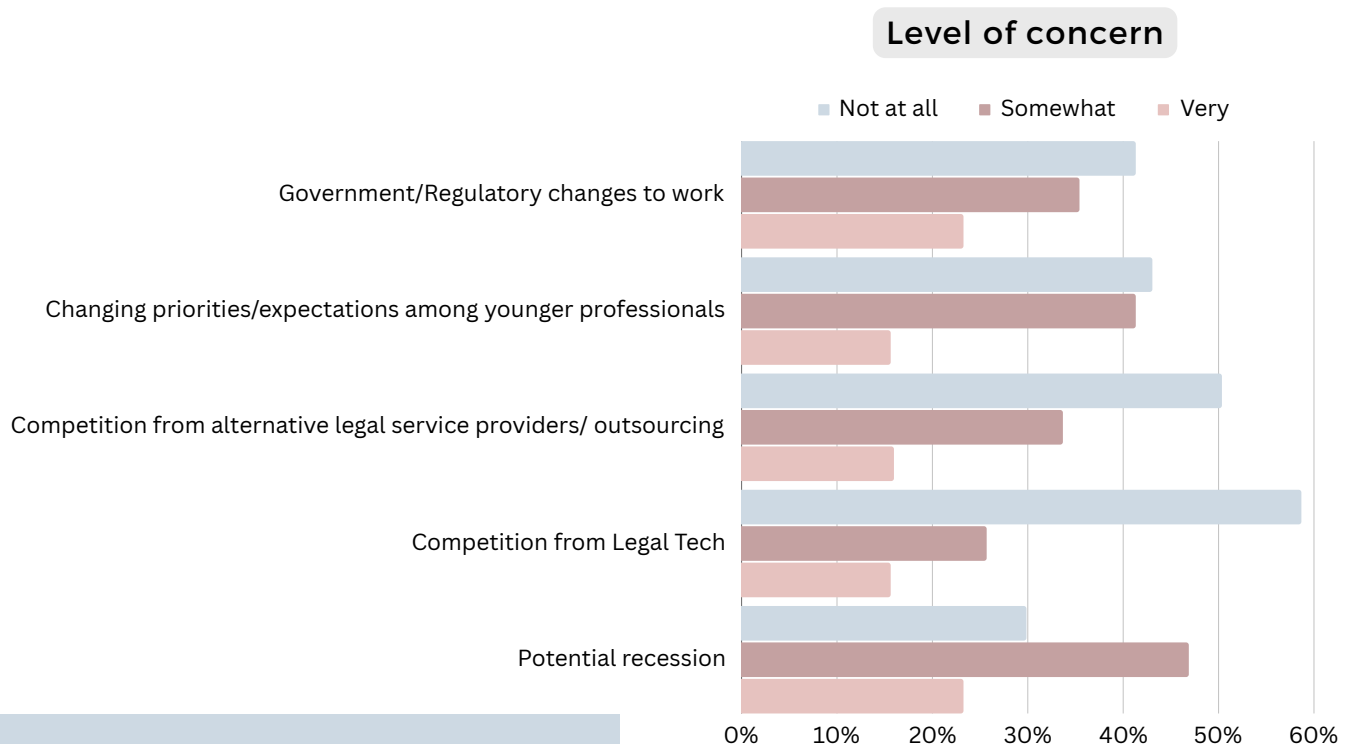
48.26%

This indicates a crucial opportunity for improvement and the need to reevaluate the current security measures and IT resource allocation. This might involve revisiting existing policies, investing in advanced security technologies, or providing additional training and resources to our staff.

OUTSIDE FORCES

HOW CONCERNED ARE YOU THAT EACH OF THE FOLLOWING WILL AFFECT YOUR INDIVIDUAL PRACTICE, OR YOUR FIRM'S OVERALL SUCCESS?

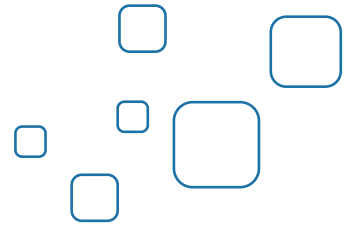
- **Government/Regulatory Changes:** Respondents express varied levels of concern about potential government or regulatory changes to work, with almost 59% having some level of concern, indicating a sensitivity to external policy shifts.
- **Generational Priorities:** Changing priorities and expectations among younger legal professionals evoke a certain level concern. Almost 57% are concerned in someway, and 15.63% expressing they are very concerned.
- **Competition Landscape:** Legal professionals appear confident in their position, but a notable subset acknowledges varying degrees of concern regarding competition from alternative legal service providers/outsourcing and legal tech. A greater number in each category are not at all concerned highlighting awareness of industry shifts.
- **Impact of Recession:** Only 29.86% are not at all concerned about a recession.



70%

of participants are concerned about a potential recession in Canada!
(70.14.% to be exact)

IDEAS VS. PRACTICE



We asked participants their thoughts on effective ways to improve their individual practice (or their firm's overall success). The following were the top rated strategies participants believed could do so. We also highlight the percentage of those participants who have implemented said strategies at their firm (as opposed to those who plan to, or will not).

Let's explore the notable discrepancy between the perceived effectiveness of certain initiatives, and the actual implementation rates by law firms:

- **Increase Salary and/or Benefits (52% vs. 38%)**
 - 52% believe offering competitive salaries and benefits is an effective practice for overall success. Doing so allows firms to retain top talent and attract skilled professionals. Additionally, a well-compensated workforce is likely to be more motivated, satisfied, and committed to their roles, contributing positively to the firm's success.
 - Possible reasons for a lower implementation rate (38%) include budgetary limitations and strategic priorities (other initiatives may be more important over direct financial incentives).
 - Recommendation: Firms should clearly communicate the firm's financial situation and the considerations behind compensation decisions to manage expectations.
- **Increase Training and Mentorship (55% vs. 41%)**
 - 55% noted continuous learning and professional development are essential for legal professionals to stay abreast of industry trends, changes in law, and evolving best practices. Offering regular training programs and mentorship opportunities demonstrates a commitment to the growth and advancement of employees. Mentorship programs also facilitate the transfer of knowledge and expertise from seasoned professionals to newer members of the firm, contributing to the overall institutional knowledge.
 - Possible reasons for a lower implementation rate (41%) include resource allocation to other areas, or a lack of time available to provide continuous training and mentorship due to workload and the sometimes intangible and delayed benefit of mentorship.
 - Recommendation: Foster a culture that values continuous learning and invest in programs that enhance professional development.



- **Permit/Expand Work from Home or Hybrid Work (54% vs. 58%)**

- Flexibility in work arrangements, such as remote or hybrid work, contributes to a better work-life balance as was noted by 54%. This is particularly important in a high-stakes and demanding industry like law, where the ability to balance personal and professional responsibilities can enhance well-being and job satisfaction. Offering flexibility in work arrangements is also increasingly attractive to legal professionals, particularly the younger workforce.
- This was one of the few instances where implementation matched intention. However, other data that we have collected suggests that the 54% of organizations who believe this to be a strong contributor to a firm's success should be a much larger number. In the future, all firms will have to offer some type of hybrid arrangement if they wish to keep staff.
- Recommendation: Foster a culture that values flexibility and acknowledges that productivity can be maintained or even enhanced with remote or hybrid work. Investing in robust technology solutions that ensure data security and confidentiality.

- **Implement Technology to Facilitate WFH/Hybrid Work (54% vs. 52%)**

- 54% confirmed technology plays a pivotal role in enhancing efficiency and collaboration, especially in a remote or hybrid work environment. Tools for virtual collaboration, document sharing, and case management streamline workflows and contribute to the seamless functioning of the firm. Embracing technology to support remote work also reflects a forward-thinking approach. Law firms that invest in and leverage technology demonstrate their adaptability to modern work trends.
- Obviously, as firms have implemented WFH and hybrid policies, they have very quickly realized, in almost equal measure, that adequate technology is a necessity.
- Recommendation: Develop a strategic technology budget that allocates resources to address the specific needs of remote or hybrid work. Consider the long-term benefits and return on investment. Ensuring leadership is supportive of the cultural shift towards technology-enabled remote work is also beneficial. Leaders should set an example by embracing and promoting the use of technology.

The high ratings for these initiatives suggest that legal professionals recognize the importance of a holistic approach that addresses not only financial aspects but also professional development, work-life balance, and the technological infrastructure supporting modern work arrangements. Law firms that prioritize these factors are likely to create a work environment that fosters success, attracts top talent, and adapts effectively to the evolving landscape of the legal industry.

WHERE YOUR FIRM HAS DONE, OR PLANS TO DO, ONE OF THE ABOVE, WHAT IS THE MAIN PROBLEM OR CHALLENGE YOU ARE TRYING TO OVERCOME?

Three reoccurring themes emerged as the main problems or challenges firms are working to overcome. These challenges relate to technological integration, the need for streamlining processes and retention.

TECHNOLOGICAL INTEGRATION

When asked, technological integration was a key challenge firms are attempting to overcome.

Due to the unique nature of the legal industry any technological implementations need to adhere to specific requirements. Specific practices require specific systems.

What we often see are firms that find themselves in a position with multiple pieces of software that do not interact with one another. One system generates a document, but another must be used to securely send or keep track of it. A separate system is then used for billing, and another ensures the data is recorded and stored.

"We are asked to do multiple things for one task, such as updating multiple lists/systems."

Additionally, integrating new technology into existing firm systems can also be challenging if they are not compatible with the firms current process or software.

When done correctly, integrating technology can offer numerous benefits including increase efficiency, improved services and enhanced collaboration.

To overcome these challenges, we recommend firms invest in technology solutions that are compatible and offer robust integration capabilities. Prioritize platforms that can streamline workflows and reduce the complexities associated with using multiple tools. Engaging with vendors that provide comprehensive support and guidance during the integration process offers several benefits as well, such as smooth implementation, faster adoption and learning, and proactive issue resolution:

STREAMLINING PROCESSES

Another challenge noted by participants was the difficulty in streamlining processes after integration.

While streamlining can lead to

increased efficiency, reduced costs and improved services firms must overcome certain obstacles on their path to success. Ask:

- Are you being met with resistance?
- Do you still rely on outdated technology?
- Do you have open communication channels, especially between departments or practice areas?

Striking the right balance is key, because what works for one may not work for another.

"The biggest problem is integration of the different technology we use as well as streamlining the process. Everyone organizes things different and or has a slightly different process. Could be more efficient if this was addressed."

Firms can streamline processes by adopting tools that allow for centralized data management. They can also invest in unified platforms that minimize the need for redundant actions. By prioritizing user-friendly solutions that reduce the burden on employees and enhance overall productivity, organizations create an environment where technology becomes an enabler rather than a hindrance. Once technological integration has been accomplished, it is recommended to measure the effectiveness continually. This can be done with the use of Key Performance Indicators (KPI's).

Firms should conduct thorough

analyses of existing workflows, invest in the proper technology, provide intensive training and support, and continuously assess the impact of the efforts. A commitment to continuous improvement will lead to a more efficient and successful law firm.

RETENTION

A final challenge highlighted in our survey, was the difficulty surrounding retention--specifically, retaining top talent.

Staff retention is a concern shared across various industries. However, the legal profession has some unique factors that contribute to this challenge. Legal professionals are more willing to leave their place of employment, easier than before, if there are elements that do not align with their personal goals.

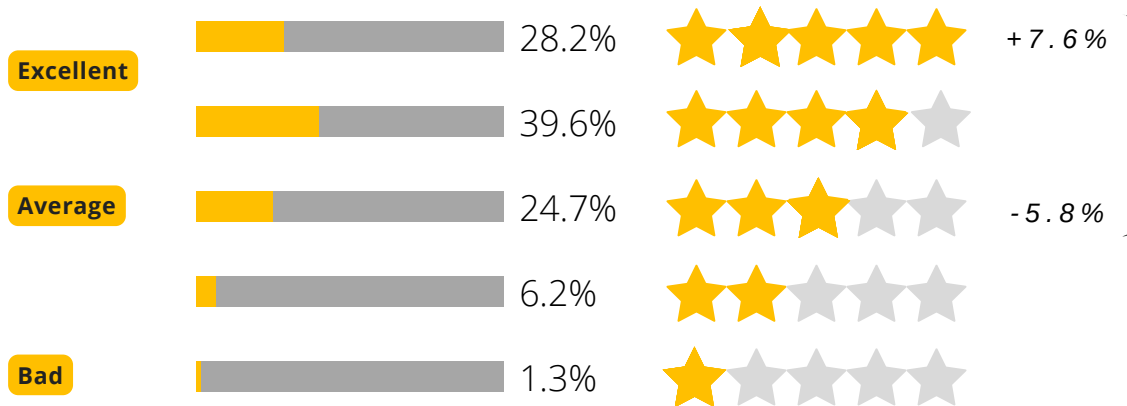
"Ensuring well trained people stay at the firm."

From salary, to development opportunities, to hybrid work schedules, employees are taking the opportunity to explore other firms to find the best fit.

To address these challenges law firms should consider providing clear opportunities for growth and advancement in the profession, promote work-life balance, and implement employee recognition programs to acknowledge achievements and milestones. By understanding the needs and concerns of their workforce, a firm can reduce their staff turnover while building a loyal and committed team.

HOW WELL DO YOU THINK YOUR FIRM IS RESPONDING TO THE CHALLENGES AND CHANGES IN THE LEGAL INDUSTRY?

The survey results indicate a varied perception among respondents regarding how well their firm is responding to challenges and changes in the legal industry.



- **Positive Responses (4 or 5 Stars):**

Combining the percentage of respondents who gave a rating of 4 or 5 stars, it indicates that a significant portion of participants (67.8%) generally believes their firm is responding well to the challenges and changes in the legal industry. This suggests a level of satisfaction and confidence in the firm's strategies and initiatives.

- **Neutral Response (3 Stars):**

A quarter of respondents provided a neutral or average response, indicating that they perceive their firm's response to be neither particularly effective nor ineffective. This group may have mixed feelings or may be uncertain about the overall effectiveness of the firm's strategies.

- **Less Positive Responses (1 or 2 Stars):**

Combining the percentage of respondents who gave a rating of 1 or 2 stars, it suggests that a smaller proportion of participants (7.5%) have concerns or are dissatisfied with their firm's response to industry challenges. This group may feel that the firm needs to improve its strategies or adapt more effectively to changes.

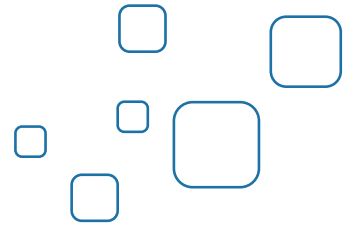
Comparing these Results to Last Year's Survey:

In comparing the current survey results to the same question posed last year, a noteworthy trend emerges.

The shift in ratings could be attributed to a mixture of elements. These include adaptive strategies, improved communication, investment in employee development, recognition of successes, strategic planning adjustments, or continued industry learning.

To sustain the positive trend, firms should maintain communication momentum, sustain investment in employee development, regularly assess and act on feedback, celebrate achievements, and remain agile in strategic planning.

TRENDS AND OBSERVATIONS



After careful review of the responses from our recent survey, this section aims to address the trends and observations that have emerged, providing a comprehensive understanding of the sentiments expressed by participants.

From evaluating how well firms are navigating challenges to identifying areas of improvement, the following insights illuminate the dynamic landscape in which legal professionals operate.

Respondents who have been with their firms for less than a year expressed a relatively higher concern about their firms' responses to industry challenges.

The junior levels of the profession are increasingly misaligned with firm management.

This heightened level of apprehension among newer staff members could be attributed to various factors that are inherent to the early stages of their professional journey. Individuals with less than a year of tenure may still be in the

process of acclimating to the firm's operational dynamics, including its approach to handling industry challenges, contributing to a heightened sense of uncertainty and concern.

Newer staff members may also be carrying specific expectations about the firm's strategies and responsiveness to industry shifts, and any perceived misalignment with these expectations can lead to elevated concerns.

"Young cadres are new to the workplace, their social experience and professional experience are not rich enough..."

This concern could stem from a lack of clarity or communication about the firm's long-term vision and adaptability, as well as a lack of access to the firm's strategic plans.

Finally, individuals in the early stages of their tenure might engage in comparative benchmarking, drawing on their experiences from previous roles or industry standards. If they perceive the firm's response to be lagging behind what they consider the norm, it could contribute to their heightened concerns.

WHAT MILLENNIALS AND GEN Z BELIEVE TO BE EFFECTIVE STRATEGIES:

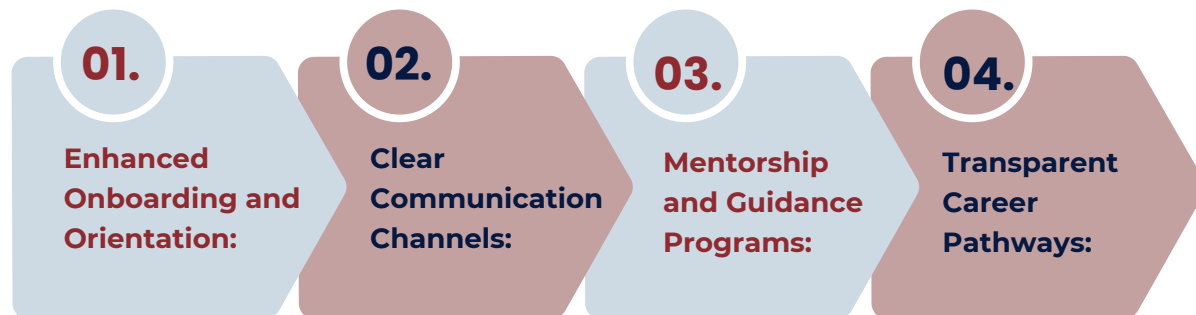
Millennials and Gen Z professionals have emphasize several key strategies they believe to be effective for fostering a positive work environment and retaining talent within law firms. These include:

- Increase Salary/Benefits
- Increase Training and Mentorship
- Technological Implementation
- Permit/Expand Flexible Work Arrangements
- Solicit Opinions from Younger Lawyers and Staff

Aligning with the preferences of Millennials and Gen Z involves a combination of competitive compensation, robust training and mentorship programs, embracing technology for flexible work arrangements, and actively involving younger professionals in shaping the firm's direction. Law firms that prioritize these elements are likely to create a more appealing workplace for the next generations of legal professionals.

WHAT CAN FIRMS DO?

Firms aiming to enhance their response to industry challenges can focus on several key strategies.



Firstly, investing in comprehensive onboarding programs is crucial for accelerating the integration of new hires. These programs should go beyond basic orientation, offering detailed insights into the firm's history, values, and proactive strategies for addressing industry challenges. Providing new staff members with a deep understanding of the firm's foundations can foster a sense of connection and commitment. Secondly, establishing clear communication channels is vital. Regular updates on the firm's vision, ongoing initiatives, and adaptive strategies can help align expectations and alleviate concerns, particularly among newer staff members. Transparent communication fosters a sense of transparency and inclusivity, building trust within the workforce.

Additionally, firms can implement mentorship programs as a valuable support system for new hires. Seasoned professionals can play a crucial role in guiding and providing insights to navigate uncertainties. By sharing experiences and offering valuable context about the firm's resilience, mentorship programs contribute to the professional development of new hires, fostering a positive and collaborative work environment. Finally, provide clear and transparent career pathways for new hires. Communicate the potential for growth within the firm, outline opportunities for advancement, and demonstrate the value placed on individual contributions. This transparency helps align expectations and instill confidence in career prospects.

Bridging traditional and modern is key.

BENEFITS OF LISTENING TO THE CONCERNS OF YOUNGER STAFF:

- Fresh Perspectives and Innovation:

The concerns expressed by younger staff members can be viewed as a source of fresh perspectives and innovation. Their questions and uncertainties may spark valuable discussions, leading to the exploration of new ideas and approaches to industry challenges.

- Catalyst for Continuous Improvement:

Acknowledging and addressing the concerns of younger staff members can serve as a catalyst for continuous improvement within the firm. It fosters an environment where feedback is valued, encouraging the organization to adapt and evolve its strategies proactively.

- Building a Culture of Engagement:

When firms actively respond to the concerns of newer staff, it contributes to building a culture of engagement and inclusion. Young professionals feel valued and integral to the firm's success, fostering a sense of commitment and loyalty.

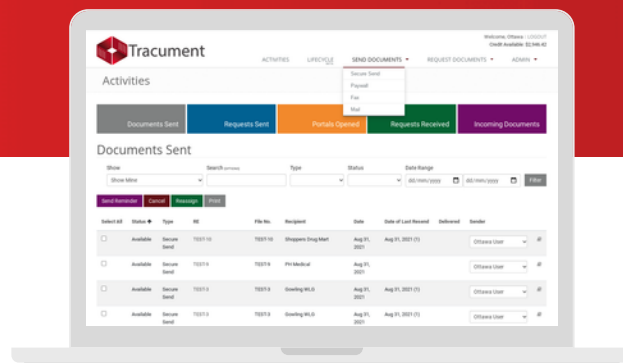
SUMMARY

These findings underscore the importance of proactively addressing concerns among newer staff members. By fostering a supportive environment, firms can not only alleviate apprehensions but also harness the enthusiasm and innovative potential of their youngest team members, contributing to the overall success of strategic, financial and even technological initiatives.

WHAT WE DO

Built for lawyers

Book a product demo with one of our product specialists to see exactly how it all works.



[BOOK A CALL](#)

Tracument is a web-based platform that centralises and automates the process of sending, receiving, and collecting documents. We can improve morale and reduce human error. Our platform saves considerable time and material cost while increasing cost recovery revenue for your firm. In 2022, **65.22% of all respondents who gave their firm five stars use Tracument in their practice.**

Over the past two decades, most firms have moved to store documents paperlessly, however, their methods of sending and receiving documents have lagged behind with very little progress—sensitive material is still emailed, CDs with images are even now written and couriered, faxes are still sent with confirmations still printed, and mail output requires an expensive mailroom or reception station. These methods are inefficient and outdated, but until now were the best available.

Additionally, if your staff are working from home, they lose access to many of these office services, making Tracument absolutely vital. 13.68% of respondents called Tracument the most useful software in their office before the pandemic. **During the pandemic, this number rose to 38.22%—more than any other software listed.** Give your staff the tools they need to work from home effectively, and increase their productivity significantly wherever they are located.