Potential clients can make anonymous requests and lawyers can then respond.

By Ari Kaplan

Many clients do not want to risk revealing their identities when looking for legal services. This is especially true for those who are seeking help for sensitive or confidential issues. However, with the advent of online technologies, it is now possible for clients to make anonymous requests for legal services without revealing their identities.

Matching up by Internet

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DEVELOPMENT

The Internet offers matching services for everything from dating to butterfly collecting and now to legal services. Typically in any legal-referral program, a potential client completes an anonymous request form and provides a brief description of the matter at issue, including the area of law, geographic location and time frame necessary for a response. This request is forwarded to the network of attorneys registered in the practice category and/or locality specified. Once a lawyer receives the e-mail, he can decide whether to respond directly to the potential client.

San Francisco-based LegalMatch (in which American Lawyer Media, the parent company of The National Law Journal, holds an equity interest) services all types of clients, the vast majority of which tend to be individuals and small businesses like Resolve Video, served by solo practitioners and small law firm attorneys.

President and CEO Dmitry Shubov said that "with small law firms and solo practitioners representing about 75% of all privately practicing lawyers in this country and well over 90% of the law firms, we have no shortage of attorneys interested in the LegalMatch program."

The company’s standard service is free for both consumers and businesses. Attorneys are charged a one-time registration fee of $250 that partly covers the verification of credentials, technical system programming and other set-up procedures. It also charges attorneys a variable rate for leads (currently between $4,000 and $20,000 a year), depending on their region and legal specialty.

Despite minimal funding and a soft market, LegalMatch has managed to become profitable by spending money efficiently and continually improving its operations and marketing, said Shubov. It also staffs attorney account managers who can properly direct their clients’ legal questions.

Los Angeles solo practitioner Nathan Wirtschafter helps health care providers obtain correct reimbursements from their insurers. Although Wirtschafter only landed a single client from LegalMatch, he obtained 13 cases from that one client. In fact, using the service “has taken us from a firm which was barely making it to a profitable firm,” said the California attorney.

Double the business

Andrea Whitehill, a solo practitioner of bankruptcy and family law in Venice, Fla., a small town on the Gulf Coast, has seen similar results. "My practice has essentially doubled in the past six months (retaining 15 to 20 new cases since joining the network) and the family cases I am getting are very good cases, with clients who can actually afford an attorney to represent them," said Whitehill. In addition, she has doubled her office staff and may even need an associate soon. She did note, however, that "the fee was a bit stiff to come up with all at once, but they let me pay it in installments which was a big help."

What Whitehill appreciates most about the online format is the confidential nature of the system. She said that "some clients are embarrassed to have to tell any attorney that either their marriage or their financial situation is falling apart," and an e-mail query can be a more comfortable and effective means of doing so.

While Shubov believes that LegalMatch does not have any direct competition, he admits that traditional directories like the phone book or Martindale-Hubbell do share his company’s market. Since these entities do not pre-screen clients for their member attorneys, however, he does not consider them to be true competition.
Legal matchmaking on the Internet takes off

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But in December 2000, New Providence, N.J.-based Martindale-Hubbell introduced Legal Services by Request (LSBR), which connects lawyers and law firms with clients through its www.lawyers.com site. Like LegalMatch, more than 70% of its customers are firms of between one and five attorneys, according to Joseph Douress, Martindale-Hubbell's vice president of business development for the small law segment. Legal Services by Request's advantage over its competitors is that 10% of Martindale-Hubbell's client base subscribes to the service at a flat rate of $360 per year for an unlimited number of leads in three different areas of practice out of 73 available (and $100 for each additional area of practice). Douress said that "it is all-you-can-eat for $360."

In an average month, LSBR delivers 5,000 unique leads, and if you are located in a metropolitan area and practice in a popular field, you could receive over 100 leads per month," said Douress. With several thousand law firms in its network, it is also profitable and growing. This is probably no surprise, given that www.lawyers.com receives more than 250,000 unique visitors per month, which, according to an April 2002 Nielsen/Net Ratings report, means that the Web site attracts more than twice the number of unique monthly visitors per month than its closest competitor.

That reputation is what prompted Andrew A. Bokser, a family law solo practitioner in Brooklyn, N.Y., to subscribe. (He had been solicited by other unknown operations before.) LSBR also offered the solo practitioner six months of free service before committing his $2,000 annual fee. Given that he does not advertise, Bokser said that a legal referral service is a "legitimate way of putting your name out there." A year later, he has retained more than 10 clients and, he said, "it has been worth the investment." Small firms can also benefit from the Internet's scale. Bokser, for example, has received both in-state and out-of-state business from his Legal Services by Request subscription. He still prefers the phone, though.

"You cannot give legal advice over the Internet," he said. "I generally do not have enough facts on any given case and ask prospective clients to call me."

Newcomers to the field

The increasing popularity of Legal Services by Request and LegalMatch has attracted new companies to the space. Chicago-Based LegalFish LLC is a prerevenue upstart that is privately funded from angel and seed-stage investors and does not even charge a subscription fee. Beginning at the end of July, though, it will start charging member attorneys $25 a month. Joshua Fuhrmark, co-founder and chief marketing and sales officer for LegalFish acknowledged that "we are not 'first movers' in the space and consequently have taken a measured, but focused approach in building our visibility and client base nationwide."

The newcomer's focus has pleased clients like Chicago-based Barbara Pielert Odner, an interior designer with Odner Design Group. She needed an attorney who specialized in defending Class A traffic violations for a relative and found LegalFish through a friend. "I received three responses from attorneys within four days of my posting," she noted.

First movers or not, the company is also making an impression with member attorneys. Tom Gregory of Barrington, Ill.'s Gregory & Lai said, "What attorney who runs his own firm would not want to have at his disposal a service of this type which can provide another method of achieving business development objectives?" He once practiced insurance defense litigation with LegalFish founder Anish Shah and is quite satisfied with receiving two to four notifications per week from the referral upstart.

Do homework first

The entrance of LegalFish into this market is a clear indicator that there are a lot of leads to go around. Before joining any network, though, attorneys should research the quality of those leads very carefully.

Last year, Solosez (the American Bar Association's listserv for solo practitioners and small firm attorneys) was buzzing with amusing comments about services of the type described above. Jay Goldberg, a trust and estates solo practitioner in Chicago who used one of the services criticized, wrote "you do not get a fraction of the number it promises and those you do receive are worthless."

Shubov said that referral services "are not for everyone" and that participating attorneys should actively respond to as many listings as possible to receive the maximum benefit.

They should also gauge how much time they would need to spend reviewing leads, as opposed to hosting introductory client meetings, and determine which is more effective for business development. Finally, attorneys should consider the effect that a lack of initial client contact and foregoing reliance on instinct and experience may have on their practice. After all, while finding clients is often a challenge, keeping them is the goal.