



The *Gazette's* legal IT roundtable focused on the importance of choosing the right matter management systems, a possible tipping point in cloud computing, and how online tools are helping firms leverage their agility and innovation to compete effectively in a changing market. However, while for some smaller and niche firms IT has levelled the playing field, helping them grow their businesses and extend their market reach, for others it remains a major challenge.

Attendees were from firms of different sizes and profiles, ranging from sole practitioners to firms with multiple offices. They came from across the country, including remote parts of Scotland and Cornwall, urban and rural England and central London. It became evident that attitudes towards IT were shaped more by levels of IT literacy than the

Siddhartha Mankad



Working the system

Cutting-edge technology can help law firms innovate and remain agile, the *Gazette's* latest roundtable heard. But small firms in particular can struggle to navigate a complex market without specialist advice. **Joanna Goodman** reports

size or location of the firm. This was especially noticeable among small practices and sole practitioners. Whereas the larger firms represented at the table have dedicated IT functions, the roundtable heard from some small firms and sole practitioners whose business operations and structure were shaped by technology. Others still consider IT an uncharted minefield.

Matter management

In a 2015 Thomson Reuters survey of small firms, 29% of those surveyed were not using matter management software. However, this was not reflected in the firms represented at the roundtable. Although IT literacy varied dramatically among sole practitioners and representatives of small firms with no

dedicated IT function, every firm was using some form of practice management or matter management system. Issues and challenges identified mostly concerned selecting the best system for the business.

Divorce and family lawyer Tony Roe of Tony Roe Solicitors and employment lawyer Gordon Turner outlined the problems faced by sole practitioners. While Roe initially invested in a server and then moved his systems to the cloud, he always purchased 'Gold' packages which included maintenance and troubleshooting. 'Instead of going to the expense of employing a dedicated IT person, the vendor would send someone to fix any issues we couldn't deal with.' Sole practitioners tend to be specialist niche players and most legal software packages are

designed for full-service firms or at least firms with broader practices. Gordon Turner related that he had implemented a system that was too complex: 'This was a mistake for my sole practitioner business. I get all these reports, when all I need are basic management figures.'

'The problem is not the technology, but the execution,' observed Simon Clarke, IT director of Michelmores, which has offices in London, Exeter and Bristol. 'Traditionally, law firm IT has been driven by the IT department rather than by business needs. In many cases we invest in technology with a lot of functionality, but we don't leverage it because we haven't identified our business needs in the first place.'

Dean Mostert, ICT director of Devon and Cornwall firm Stephens Scown, has consciously aligned the firm's IT function with its business strategy: 'At the start of the recession we asked ourselves, "where do we want to be as a business and how can we involve IT in supporting that?" We put everything in a hosted environment and that changed a lot. We had centralisation, cleaner systems, more efficient integration and [better] remote connectivity. We had resilience and back-up. As a result, the firm has grown year on year, both in turnover and in client base, because we invested in the right technology to support our users.'

In response to Turner's question, 'How did you know what was out there?' Mostert explained that he had brought in a consultant to examine the firm's IT infrastructure in relation to its business model and strategy. The outsourced model allowed for scalability and flexibility in the light of the firm's expansion plans. Jan DeCerce, IT and operations director at City firm Lewis Silkin, added that IT professionals in law firms know what is available – and is worth investing in – because they keep in touch with each other and leverage their collective knowledge.

However, this does not help sole practitioners who struggle to find systems and software to meet their needs. Turner lamented the lack of a list of suitable systems. Even if such a list existed, how would he know which system would be the right fit for his firm? It was generally agreed that the answer would be to follow Mostert's example and employ an independent IT consultant. Warren Spencer, managing director of Blackpool firm Blackhurst Budd, set out the rationale for employing a consultant: 'If you don't use a consultant, how much of your own chargeable time will you waste trying to find out about a subject that you're not expert in? An independent consultant will identify all the technologies that you require, and then set up a beauty parade of vendors so that you can choose the best solution for your business.'

Siddhartha Mankad, chief operating officer at City technology boutique Kemp Little, suggested that simply asking for a list of IT solutions is like downloading a set of legal precedents and then saying to the law firm, 'Surely I should get legal advice completely free because this has all been done before?'

'It's not about finding an IT supplier to answer your problems,' Mostert added. 'Rather, it's about understanding your business requirements and finding someone to marry that to the technology.'

Paul Hajek, principal of Clutton Cox, who is also a sole practitioner, selects his firm's best-of-breed software. 'I use three big software applications to run my business. I don't do fee-earning anymore,' he said. 'I am interested in technology and I always want to know what's new. The small firm advantage is flexibility and responsiveness. If I see a piece of



Peter Gill, Gordon Turner, Dean Mostert and Jan DeCerce



Tim Roche

software on Monday morning, I can arrange a trial, or implement it on Monday afternoon. If you know your business, and what you need, you're the best person to make that decision.'

Mankad, who is a former IT consultant, set out three options for smaller firms: 'You can bet on a vendor, like Thomson Reuters, who can supply practice management, matter management, document management, time recording, billing and so on; you can bet on a platform – a single piece of software that does most things reasonably well; or you can go for best of breed, where you get several

pieces of software that are just right for the business, but you need to make sure they are set up to work together and fit your working practices.'

What frustrates Mankad most about practice management and matter management software is that you end up buying most functionality at least twice. 'If I buy a matter management system, it will have time recording, document management and billing as well as an element of CRM [client relationship management]. I'll then buy a CRM solution, a document management tool and a business analytics tool because that is what law firms do. I haven't yet come across a legal-focused practice management or matter management vendor that is willing to say, "All you need from us is this single piece of software and you don't have to pay for all the extraneous elements that you're going to buy again anyway".'

Roe noted: 'Whereas larger firms can spread the cost over a larger number of fee-earners and benefit from economies of scale, sole practitioners and small firms pay higher unit costs. We need to find the providers that are interested in us, and we also need to think about our budgets. We don't want to pay more for a system with a lot of bells and whistles that we don't need.'

Clarke believes that software purchasing is moving away from the traditional 'Capex' (capital expenditure) model to per-seat and 'Opex-style' (operational expenses) purchasing. 'Michelmores recently set up a small joint venture with another

Continued on page 14

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— Jan DeCerce, Lewis Silkin





From bottom left (clockwise):
Joanna Goodman
 Freelance journalist
Tony Roe
 Tony Roe Solicitors
Rob Martin
 Thomson Reuters
Steve Sumner
 Taylor Vinters
Brian Inkster
 Inksters
Chris Jeffery
 Thomson Reuters
Tim Roche
 Boyes Turner
William Diaz
 Laura Devine Solicitors
Jamie Abrahams
 Harold Benjamin Solicitors

Siddhartha Mankad
 Kemp Little
Paul Hajek
 Clutton Cox
Warren Spencer
 Blackhurst Budd
Peter Gill
 Thomson Reuters
Gordon Turner
 Sole practitioner
Dean Mostert
 Stephens Scown
Simon Clarke
 Michelmores
Jan DeCerce
 Lewis Silkin
Colin Gordon
 Thomson Reuters
Paul Rogerson
 Law Society Gazette

Continued from page 13

law firm that uses a very inexpensive online practice management system,' he said.

Rob Martin of Thomson Reuters commented: 'There are more and more cloud-based products available that address the needs of small firms. Small firms and sole practitioners should not have to be IT consultants, and they should not have to do the same type of "beauty parades" that larger firms do.' Mankad added that businesses – including law firms – expect cloud-based systems to be configured ready for use. But that means sticking to the rules and processes within the system. It becomes more complicated when you need to define and change processes.

Although the Opex model is complicated by the fact that some products are sold on a monthly basis, and others are sold on a per-seat basis, it still provides flexibility and scalability in terms of lawyer numbers and avoids the cost – in time and money – of upgrades and maintenance. 'If I were a sole practitioner, I wouldn't look at anything but cloud-based software,' DeCerce observed.

Cloud services

The most popular cloud service among UK law firms is Mimecast, a subscription-based email management tool which includes a searchable archive, a spam blocker and anti-virus capabilities.

Steve Sumner, director of IT at Cambridge firm Taylor Vinters, explained that Mimecast was a secondary service between the internet and a firm's email storage services that provides security, back-up

and business continuity. For example, in the event of an outage, people can access their email remotely via any internet connection.

'Mimecast includes email encryption and the ability to send a download link rather than sending a large file,' Mostert added. 'This is especially useful because you get a notification when the file is downloaded, so you know when it was received.'

DeCerce is moving Lewis Silkin to a cloud-based document management system, and is looking at NetDocuments and Microsoft's Matter Center, which was developed for Microsoft's team of in-house lawyers.

Although attitudes are changing towards cloud computing, law firms still experience barriers to adoption. Tim Roche, head of IT at Boyes Turner, senses a tipping point in law firms' attitude to cloud services: 'My firm is dipping a toe in the water when it comes to cloud services. However, there are still inhibitors about using the cloud, including data sovereignty.'

Roche explained that although his firm's management has developed a better understanding of what cloud is, lawyers have to deal with guidelines from the SRA and the Law Society, as well as client concerns about where their data is held.

Clarke agreed that client issues are particularly relevant for firms that work for public sector clients and highlighted some of the regulatory requirements. 'The Solicitors' Code of Conduct rule 7.10 allows the SRA to require physical access to any locations where client data is stored. This is a barrier for public cloud, although it may not be for private cloud. Under Safe Harbor we are not allowed to store EU citizen data outside the European Economic Area, so email syncing on a tablet or mobile phone

when you're on holiday could be in breach of the Data Protection Act.'

Large firms, which are considering Office 365 and other cloud services, are necessarily slower to change, as they have to address regulatory and client issues across the board. So the growing acceptance of cloud services presents smaller practitioners with an opportunity to blaze a trail. While Spencer argued that most firms with fewer than 10 practitioners would not be able to budget for cloud services, Clarke responded that the monthly cost could be as low as £7.99 per user for all the Office 365 services.

Scottish firm Inksters moved its entire IT infrastructure into the cloud four years ago when the firm had fewer than 10 people. Brian Inkster explained that when his legal software provider offered the same system that Inksters was using on premise as a cloud service, he decided to switch. 'It was the same software we had been using for the best part of 10 years, so the only change was the relocation of the server from our offices to the Rise datacentre in Gloucester. At the same time, we moved to Office 365 – that was all organised by the same provider. There were no problems with the transition and the cost, on a per-user basis, was not prohibitive.' He added: 'At that point we just had the Glasgow office, and it enabled us to easily open satellite offices in Wick and Portree without any server or hardware issues. Moving to the Rise datacentre enabled the business to expand in a way that would never have been possible if we had to set up servers and PCs in Wick and Portree.'

When asked what gave him the confidence to transform his business – as an early adopter of cloud services – Inkster replied that he had 'no particular expertise', just 'a willingness to embrace change in order to expand the business throughout Scotland'.

Whereas Inkster was able to ask his IT provider to configure his systems to meet his business needs – that is, to provide precisely the management information and KPIs (key performance indicators) he required – Turner was among those who felt that more guidance was needed for sole practitioners around the choice of vendor in the first place, and that vendors were not listening to the

Continued on page 16

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 — Paul Hajek, Clutton Cox



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Continued from page 14

needs of small firms and sole practitioners.

Clarke set out the issue: 'The resounding message is that there's a lack of information for small practices about what is the best direction for them to take, and potentially the need for a list of cloud-based technologies that will deliver all the services they need.'

DeCerce voiced a general concern about SRA guidelines. 'It would help if the SRA were a little more prescriptive and set out clearly what firms can and cannot do.' Failing that, it might make sense for the regulators to include an IT professional on any relevant committee, in order to clarify technical issues.

Should the Law Society be providing more guidance, particularly around cloud services, where regulatory issues come into play? Not necessarily, Inkster observed: 'A reputable legal software provider should make sure that everything is compliant.'

But that does not help with the choice of provider. Hajek consulted a Law Society publication comparing 15 case management providers and he found it helpful when considering the options for an upgrade. He suggested that the Law Society should extend its role here, producing such guidance even more regularly to reflect the pace of change. Roe highlighted the practice notes on the Law Society website which include guidance on cloud computing, cybersecurity and data protection.

Roe, a member of the the Law Society Small Firms Division committee, noted that the division wants more information to be made available to its members and would welcome a legal IT expert to address one of its meetings. The difficulty is that although the Society is partnering some organisations, suppliers and consultants tend to target the larger firms. This is despite the fact that small firms and sole practitioners (1-4 partners) represent around 85% of all firms, so collectively represent a significant business opportunity.

Business continuity

The discussion turned to the tools that support efficiency and client service. Business continuity is a key consideration for many London firms, particularly following the incident in April when an underground electrical fault caused a 36-hour power outage in the Holborn area.

Lewis Silkin is replacing its on-premise data-centre with a private cloud. DeCerce explained that this would avoid any recurrence of the outage that the firm experienced due to the Holborn fire as people would be able to log on to the firm's systems remotely.

Taylor Vinters has used a private cloud for five years to run all its applications across two datacentres. 'It provides continuity of service and compliance with outcomes-focused regulation,' Sumner explained. 'It doesn't fix everything, but by taking care of the day-to-day, lights-on stuff it gives my team the flexibility to develop specific tools that are tailored to the business. We wrote our own client inception process in SharePoint for example.'

Innovation and agility

How are smaller firms winning business? Is technology boosting efficiency and competitiveness? Technology certainly helps, but it clearly



Steve Sumner

needs the right attitude too. 'We can't outspend the big firms, but we can out-innovate them,' Hajek argues.

Hajek does not consider his case management system as a differentiator, although it is an 'efficiency leveller' with bigger firms. The differentiation comes around client service: 'Where smaller firms can be more nimble and innovative is using other software, for example marketing software, which helps to automate the business. I use Hubsoft, which means my website is open 24/7 and I can be instructed while I sleep. As a sole practitioner I punch above my weight because I am passionate about IT and how it can be applied to my practice. We hear about disruptive technology, but the most disruptive technology is the internet!'

Mostert emphasised that it is not just the smallest firms that are agile and innovative around client communication and service. 'Designing our IT function around the needs of the business includes understanding our clients and developing IT tools that enhance client service. For example, our mobile phone app gives clients access to their key documents and financial information on demand.'

Agility is not just around IT – Turner believed that as a sole practitioner his competitive advantage was based on responsiveness and speed of service. He suggested that bigger firms are perceived as less responsive because they go through lengthy client inception processes, whereas Turner simply gets on with the job. 'People and businesses who need an employment lawyer tend to want a problem sorted out quickly. They don't want a vol-

au-vent when a sausage roll will do,' he quipped, but he was making a serious point. Roe added that small practices like his and Turner's differentiate themselves by their specialist knowledge and personal service. In terms of technology, however, Roe and others underlined the importance of sole practitioners understanding the risks inherent in IT, such as ransom software and the need for encryption – as well as the opportunities, such as those presented by cloud computing.

Agap in the market?

Is there a gap in the market for simple straightforward software designed specifically for sole practitioners and small firms that do not have an IT function? Clarke believes that small firms and sole practitioners who are not especially IT-literate will be able to take advantage of cloud and other technologies only if the cost model changes. 'If firms are limited with the software that they can use, that will limit their ability to leverage technology. So, they need to have the same access to the same software that larger firms are using, but at a price point that enables them to be able to effectively use it,' he noted.

Others argued that although straightforward systems are available, particularly in the cloud, law firms are almost always looking to customise the systems to their own working practices, rather than adapting their working practices so that they can benefit from an out-of-the box system, as many commercial legal services providers are doing.

For the more tech-savvy firms, technology clearly is a differentiator, helping firms offer extra services and expand their practices, in the way that Stephens Scown and Inksters have done, or expand their market – as Hajek has done at Clutton Cox. For smaller firms and sole practitioners who are less IT-literate or who cannot spare the time, the answer may be to bring in the experts – hire a consultant and/or go for a managed service so that they do not have to deal with IT issues and can get on with being a lawyer. But this may mean changing long-established processes so that technology can bring more efficient business processes as well as enhancing client service.

Joanna Goodman is a freelance journalist

● This roundtable was kindly sponsored by Thomson Reuters

If you don't use a consultant, how much of time will you waste trying to find out about a subject that you're not expert in?

— Warren Spencer, Blackhurst Budd

