How Technology and Business Strategies are Transforming
the Delivery of Legal Services

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Introduction

The practice of law is a profession; an ancient and noble profession with all the allure and mystique that has attracted people to the practice of law for centuries. At the same time, the practice of law is a business. Broadly characterized as the legal service industry, the business of delivering legal advice and services to clients generates roughly $250B of revenue in the United States alone and approaches $800B globally.

When it comes to challenges, the legal industry is not unique. It faces many of the same challenges and opportunities as other industries. Namely, businesses are constantly challenged by their customers to *improve their products or services and enhance customer satisfaction*. Responding to those challenges requires creativity, innovation, and a continuous improvement mindset. Similarly, the legal industry is now under ever-increasing pressure from its consumers, the purchasers of legal services, to enhance the value of the services it provides. That pressure often focuses on reducing the cost of those services while maintaining, if not enhancing, the quality of the work product.

Industries outside of the legal world have employed a number of proven strategies to reduce their costs and/or improve quality, including:

- Process improvement initiatives;
- Workflow management;
- Knowledge management;
- Project management;
- Outsourcing work to third-party specialists who can effectively perform that work in a more cost-effective manner; and
- Off-shoring work to take advantage of lower overseas labor costs.

These same strategies, which have in many ways transformed other industries, are now being applied to the business of legal service delivery. Technology makes it easier than ever to employ such strategies and capture greater benefits in terms of improved quality, lower costs, and an enhanced client experience.

New Competition: Not The Usual Suspects

Because the legal industry represents a significant amount of revenue, the industry is attracting a growing number of entrepreneurs who want a piece of the action and believe they have created better solutions for delivering legal services. While some of these entrepreneurs are attorneys, a significant

number are business people without law degrees who are not limited by the way legal services have traditionally been delivered. These new entrants into the legal services industry have created new competition for a law firm's traditional services.

Legal Process Outsourcing (LPO), one of the newer segments of the legal services industry, has leveraged technology and embraced business strategies to the greatest degree. While still relatively small – less than $3B – this industry is growing at a healthy 30%+ annually. While they are not law firms, LPO companies can perform many of the same services, or work that paralegals and attorneys have traditionally performed, more efficiently and at a fraction of the cost. A prime example is the use of LPOs to perform large-scale document reviews.

Additional competition comes from companies, such as online legal solutions providers like LegalZoom, that are not law firms. LegalZoom recognized that many legal documents and forms prepared by attorneys could be standardized and provided to the general public at a significantly lower cost. These companies do not provide legal advice, but they have certainly impacted the degree to which the public engages lawyers.

In many instances, the individuals who created these companies spent their careers helping other industries improve their performance and simply applied the same disciplined approaches and proven strategies to select aspects of the legal services industry. Savvy business people outside the legal industry can see the opportunities that exist to change the way legal services are delivered. They are not limited by the preconceived notions about our business or the inertia or other impediments to change, which persist in our industry.

Changing The Game: The Key Success Factors

In light of the changing landscape and the various new entrants to the legal industry, law firms must be receptive to fundamentally changing their approach to the delivery of legal services. There are four essential components or key success factors necessary to fundamentally change the way legal services are delivered: strategic vision, legal project management, technology, and change management. While each component is critical to your success in and of itself, real and sustainable change is not possible without the right combination of all four. Moreover, before you can realistically set out to change the game, it is vitally important that you have the right, multi-disciplinary team in place that can effectively develop and execute the separate, but inter-dependent strategies relative to each of the key success factors.

Strategic Vision: Where Do You Want to Go?

Before you can create the future for your firm, you need a compelling vision of what that future will look like. Basically, your strategic vision is the desired future-state destination for your firm, which will guide all of your efforts and investments along the journey. To develop that vision, it is important to consider with some specificity:

- What current client demands are not being fully satisfied?
- What will clients demand of your firm in the future?
- What does success for your firm look like in the future?
- How can you develop a competitive advantage in the future legal market place?
- What capabilities will you need to develop or refine in order to effectively respond to the anticipated future market conditions?

Once you've answered those questions, you can begin to define the key objectives or pieces of the puzzle that will make your vision a reality.

Legal Project Management: A Holistic Approach to Process Improvement

Legal project management encompasses the proven business strategies identified above, which can generally be grouped under the banner of process improvement. You have likely heard of Six Sigma and Lean, process improvement techniques designed to streamline business processes. Both techniques began in the context of manufacturing operations and have now found a home in almost every industry. In simplistic terms, Six Sigma is an approach developed by Motorola that primarily focuses on improving quality by removing variations and errors in business processes. In contrast, Lean was developed by Toyota to eliminate extra steps, redundancies, rework, waste, and other inefficiencies, thereby reducing cycle times and improving productivity.

Incorporating elements of Six Sigma or Lean processes, legal project management has most often been applied to individual legal matters to more efficiently achieve the desired case objective. That certainly delivers benefits to the client for that specific matter. However, consider the potential, aggregate benefits to your clients if your firm consistently and systematically applied legal project management disciplines to *all* of your matters. This is particularly noteworthy for those clients with large portfolios of legal matters.

The legal project management strategies are less often applied to law firm operations, although the potential benefits to the firm in terms of improved efficiencies and reduced costs can be significant. In regards to operations, legal project management can focus on one specific business process or all of the processes used by the firm to manage its business. There are certainly incremental benefits from identifying and addressing improvement opportunities relative to discrete business functions or processes, such as client on-boarding or billing. However, truly revolutionary change, the kind of change that can deliver significant benefits to both your firm and your clients, requires a much more holistic and strategic approach to reengineering how your firm will manage and deliver legal services in the future. With your strategic vision as your guide, and the proven business improvement strategies at your disposal, revolutionary change can be achieved.

Leveraging Technology: Enabling the Future

Today's technology allows law firms to create their vision for the future by effectively implementing the various process improvement strategies mentioned above, including workflow management, project management, knowledge management, etc. As such, technology is definitely a key success factor. That said, technology is only an enabler. It is not a "silver bullet" in and of itself.

To create the future-state technology enabled platform that will help make your strategic vision a reality, a combination of several software applications, from multiple developers, will almost certainly be required. For each such application, there are often multiple options available. As such, it is important to carefully weigh the pros and cons of the various options before deciding upon which application is best for your firm. With that in mind, for each component of your future state platform, you should consider:

- Which application provides the best functionality?
- How well does the application integrate with other applications on the platform?
- Can the application be customized to meet your needs, and if so, to what degree?
- Can the application provide an effective foundation for proprietary workflows, templates, and other pieces of intellectual property that may be required?

- Can the application be deployed in a manner that protects confidential information and comports with industry best practices for data security?

As you assemble the pieces of your future state platform, each application should be a necessary piece of the puzzle. Moreover, while each application provides important functionality, it must be considered in the context of your strategic vision. If developed well, the technology platform should deliver greater value than the sum of its collective parts.

Commitment from the Top: Successfully Driving Change

People tend to be creatures of habit. As humans, we become very comfortable doing things the way they have always been done. We will resist change, actively or passively, unless convinced that it is in their best interests. A great many books have been written on successfully managing change, and for good reason: change management can be the most challenging factor in successfully creating your vision of the future.

Undertaking change, especially radical change, requires a strong commitment at the highest levels of the firm to achieve the strategic vision. The "tone at the top" is critical, and the firm's leadership team must be aligned in order to build the continuous improvement mindset into the culture the firm. A half-hearted effort will simply be a waste of time and money and will create confusion and disillusionment. Without a strong commitment to challenging the status quo and embracing change, exemplified by a firm culture that continually looks for new and innovative ways to improve its operations and performance, any meaningful process improvement initiative is likely doomed to failure from the start.

A strong commitment to driving change and creating a new reality is best demonstrated by assembling the right team of subject matter experts. Excellent project managers and IT professional are obviously essential. However, you also need experienced attorneys who not only embrace the strategic vision, but who can also help create the workflows, guidance, training materials and other pieces of intellectual property required to achieve that vision. This is not a part time job. Dedicated subject matter experts, including experienced attorneys, focused primarily (if not exclusively) on creating the future state vision, will significantly increase the probability of success. Since those resources typically do not generate revenue for the firm, the leadership team must be confident that the return on the investment in time, resources, and technology will pay off over the long term.

This same strong commitment applies equally to the successful adoption of technology. When a firm's members are fully committed to doing everything required to make that vision a reality – including adopting and using new tools and technology – your likelihood of success increases. Refusal to adopt the technology or inconsistent utilization will inhibit your ability to drive change, capture the anticipated benefits, and achieve your vision. If no one uses the new application, then the cost, time, and effort to purchase and employ these tools are wasted. Similar to engaging the necessary resources to improve your processes, technology adoption requires an unwavering commitment and high level of discipline from the senior leaders of the firm.

Our Strategic Vision: onPoint

At Hickey Smith, our strategic vision included developing an innovative, technology-enabled platform that would give us the ability to deliver greater value to our clients, while improving our operational performance. The platform would be designed to support our legal matter management processes, as well as any related business operation processes. By achieving our vision, we would not only reduce the costs of our legal services while enhancing quality, which would provide greater value to our clients, but we would also reduce our overhead costs, thereby improving our operating margin. The combination would give us a competitive advantage in the legal services market place.

To achieve our vision, our technology platform had to enable us to:

- Use the various legal project management strategies to minimize the time and costs associated with administrative, clerical, and low-complexity legal work;
- Use knowledge management techniques to enhance the quality and consistency of our legal work product;
- Easily capture key data elements throughout the lifecycle of a matter that can be used to enhance case-specific decision making, improve internal firm processes, generate internal performance metrics, and provide insights and key performance metrics to our clients; and,
- Facilitate secure, two-way, real-time communication with our clients, including sharing of key information and documents through a client portal.

In addition to the functional capabilities of our platform, it also had to enable us to:

- Easily integrate multiple applications and tools in a seamless and scalable platform;
- Manage our work on the same platform anywhere in the world; and,
- Maximize our ability to securely manage and protect our clients' data and information.

Those key functional and technical capabilities served as the guiding principles for our selection of technology applications that constitute the critical components of our future state platform, onPoint.

Key Insight: The Repetitive Nature of Legal Matters

Deep insight into how legal services are delivered is a critical, underlying element of our vision. While acknowledging that the practice of law is a profession, we understand that the delivery of legal services is largely a series of related and repeatable processes that begin with the receipt of a new client or matter and end with the delivery of the desired legal advice, closing of a transaction, or resolution of a piece of litigation. Like any other business, the services that lawyers provide can be described by the various processes that we undertake every day to perform our work, manage our business, and deliver value to our clients. As such, the process improvement strategies employed by other industries to transform their operations are equally applicable to the delivery of legal services.

Attorneys may question the proposition that the delivery of legal services is largely a series of related, repeatable processes. However, most lawyers in any discipline, if they were asked, could outline the typical series of steps that they follow to undertake and successfully manage an engagement to conclusion. Those steps may vary to some degree by the nature of the assignment or type of matter, but with respect to like or similar matters, attorneys are not reinventing the wheel every time they get a new matter. Rather, they tend to follow a prescribed course of action again and again based on what they have learned from others or otherwise developed over the course of their career. The facts and issues for each case will certainly be different. The case strategy for each case may also be different. That said, the

various components of that strategy and the *mechanics* of executing each of those components can, for the most part, be broken into a series of repeatable processes or tasks.

The Commoditization of Legal Work

Attorneys will also dispute the notion that much of what we do can be commoditized. They may feel that that term tends to cheapen the profession. However, whether our work is viewed as a commodity or not is really not up to us. Our clients' view of our services or work is what is important. How non-lawyers see what we do or how we do it is also important. Given the state of technology and the various tools that are now available to manage processes and information, the reality is that much of the work that law firms have historically performed can be standardized and commoditized. That is especially true of administrative and clerical work, as well as much of the low-complexity legal work traditionally performed by paralegals and attorneys. Indeed, if this were not the case, there would be no market for services like LegalZoom.

Deconstruct the Process: Identifying the Opportunities

Once you can see your business in terms of a series of related and repeatable processes, you can start to identify and map out each of those processes to better understand how you do your work today and what inputs, resources, people, systems, and outputs are involved with each such process. Mapping your complete end-to-end operational processes is certainly a time consuming effort, but it is the only way you can truly see where your current processes can be improved. If you consider how your firm's current processes were developed, you can begin to appreciate the potential improvement opportunities that exist. Were those processes developed in a thoughtful, strategic manner or did they simply evolve in an ad hoc manner over time? The answer to that question probably becomes even more obvious for larger firms that have grown over the years through mergers with other firms and/or acquisitions of practice groups. The fact of the matter is that if you have not ever taken a critical and strategic look at how you perform your day-to-day work or manage your operations, you very well may be utilizing outdated and inefficient processes, or even worse, *multiple* outdated and inefficient approaches to performing the same processes.

Since our vision included creating an integrated, technology-enabled platform upon which most of our firm's work, if not all, is performed, we began by identifying all of our current processes -- from client onboarding to matter closure -- at a macro level. By mapping them from end-to-end, we began to better understand how they interact with each other. This includes business processes as well as the ways in which we manage our actual legal work, whether transactional work or litigation. Once those high-level processes were identified and mapped, we set out to identify and separate the various sub-processes involved. It is here that process mapping is most helpful.

Process mapping allows you to describe and document the:

- Various steps involved with a current process;
- Sequence and timing of steps;
- Inputs or resources used to perform each specific step;
- People - in terms of specific roles - that perform each step; and
- Output or results from each such step.

Like having x-ray vision into your business processes, when you can visualize a process in detail, all of the people who may touch it in some way, and the resources, systems, and other inputs that may be involved, you can more easily see the redundant tasks, outdated processes, rework, bottlenecks, inadequate systems or lack of necessary resources. It's an ideal way to gain a much better understanding of the inefficiencies and potential improvement opportunities and begin to construct the future state process that will deliver greater efficiencies and/or quality.

Reconstruct the Process: Capturing the Opportunities

To achieve our strategic vision, we undertook the significant effort to develop an efficient and cost-effective workflow for each and every process. A workflow defines the series of activities that are necessary to perform a piece of work from initiation to completion. To create each new workflow, we carefully considered the following:

- How does the process interrelate with and affect other processes?
- What is the most efficient sequence of steps or tasks to deliver the desired output?
- What steps can be automated and to what degree?
- What level or type of staff resource are required to most efficiently and cost-effectively perform each task?
- Do we have the right people on staff to perform each task in the most cost-effective manner? If not, should we acquire them or should we consider outsourcing or offshoring the work?
- How and when do we need to engage the client or other parties to the matter?
- What embedded inputs do we need to most effectively perform each task, such as readily accessible template documents?
- What embedded resources should be available in terms of instructions, guidance, checklists, etc. that will minimize errors and enhance the consistency and quality of our work product?
- What technology tools are available to further enhance efficiency or quality relative to the specific process?

Workflows can be a handful of steps or dozens of steps, depending on the complexity of the specific process. The more refined or detailed you make your workflow, the greater your ability to identify potential improvement opportunities and leverage technology to drive efficiency and quality through automation, project management, and knowledge management.

Workflow Management: Putting Your New Process into Practice

After standardizing, constructing, and documenting our workflows, we employed an application that allows us to embed those workflows into our legal matter management platform. Today, software applications allow you to create standardized workflows and capture all of the individual tasks required to successfully complete a given process. Once created, workflows can be further tailored in any number of ways, including by type of matter, complexity of matter, staffing models, and client-specific preferences. Embedding the workflows into your technology platform supports your ability to firmly establish your new processes with members of your team and put them into practice across the firm.

While ensuring a consistently efficient approach to accomplishing the work, standardized workflows also minimize the time and effort required of your lead attorneys to assign and manage work relative to a case. While the software allows an attorney to provide case specific instructions or deviate from the workflow where necessary, those situations become the exceptions rather than the rule. Moreover, standardized workflows can minimize the training and supervision of less experienced staff,

since the process and guidance can be embedded in your technology platform. All of that allows your lead attorneys to focus more of their time on high value work, such as client communication, case strategy, and lawyering.

There are a number of matter management applications that provide a limited set of basic workflows for managing legal matters. More importantly, those applications generally provide the tools needed to develop your own comprehensive set of workflows, in as much detail and variety as needed, to allow you to fully leverage the process improvement strategies outlined above. To a large degree, the future state processes developed by your firm with these tools are only limited by your imagination and the caliber of the team you assemble to create your vision of the future.

Diary Management: Transparency and Timely Execution

A task-based workflow management application automatically assigns tasks to the right people on the case team, in the right sequence. It also assigns deadlines that cascade through the various tasks – in sequence – to achieve the desired result within the master deadline set by the lead attorney on the matter. Reminder calendar entries and email notifications help ensure that deadlines are met. When using advanced tools like these, everyone on the case team can see which tasks are due on which dates, and management reports can identify approaching or delinquent tasks to ensure that nothing falls through the cracks. The lead attorney maintains ultimate responsibility for developing and executing the case strategy, but the mechanics of assigning the work and diary management can now largely be automated.

As an example, if the lead attorney wants to propound interrogatories, he or she can launch that specific workflow and set the deadline to accomplish the process. Following the prescribed workflow, the system will automatically assign each of the individual tasks required to accomplish the process with their own deadlines, in the right sequence, to the appropriate person or persons on the assigned case team. As each task in the process is completed, it is marked "done," which allows the lead attorney to monitor the progress of the work without making calls or sending emails. Both time and project management disciplines become an integral part of your platform.

Knowledge Management: Sharing the Wealth

Knowledge management encompasses a company's strategy for capturing, organizing, and leveraging its internal knowledge and expertise. Knowledge can take many forms. In many firms it may be the "brief bank", a storage repository where team members can search for completed work product (such as prior opinions or briefs) that can be used to expedite the completion of new work product. But knowledge management encompasses much more than the brief bank.

In the new technology-enabled world, knowledge management can be a significant source of differentiation for your firm. It can include the ways in which:

- Recommended best practices can be applied across the firm; how work or processes should be performed, the issues that should be considered, and exemplars of quality work product;
- Data is captured and analyzed to enhance decision making, identify internal performance improvement opportunities, populate performance metrics and scorecards, and provide clients with trends and other insights that can help them improve their business performance; and,
- Internal experiential knowledge is captured and analyzed to improve case-specific insights and the decision-making process.

Technology provides a number of tools that can be used to capture, organize, and manage that knowledge for the benefit of the client, as well as to improve the performance of the firm. With respect to

Hickey Smith's vision, our firm's institutional knowledge and recommended practices are readily available to our legal staff through the instructions, checklists, template documents, and training materials on our onPoint platform.

a. Instructions

Task-based workflow management software provides a structured approach to assigning and sequencing the work or specific tasks required to achieve a desired work product or deliverable. With respect to each task, the same software allows you to embed task-specific instructions so that anyone who may be assigned that task knows what is expected and how to perform the task. Those instructions can be as minimal or extensive as the specific task may warrant. The instructions can also identify the tools and resources that should be used or consulted to properly complete the task, as well as the specific task-based billing codes that are most appropriate for that task. Of course, the lead attorney can also provide case specific instructions as may be appropriate, but embedded instructions and guidance limit the amount of special instructions to truly case specific situations.

In addition to the workflows themselves, standardized instructions serve to improve the consistency and quality of how work is performed across the firm. Task-specific guidance enables case team members to benefit from the collective wisdom of the firm's experienced attorneys as to how best to accomplish a given task. As such, task specific "basic training" is built into the platform, thereby optimizing the coaching and mentoring time required of your experienced attorneys.

b. Checklists

In addition to task-specific instructions, checklists can be linked to a given task within a standardized workflow, which aid the team member in considering the key issues relating to that task. The general checklist can be supplemented with jurisdiction specific guidance, including an overview of the relevant rules and case citations and links to the source information (should the team member need to review the rules or case in greater detail).

Checklists outline the recommended practices and issues that should be considered to effectively complete a task. Consistently following the checklist supports the delivery of high quality work production with greater consistency across the firm. Moreover, by making the collective wisdom of your experienced attorneys available to all, you:

- Minimize the need for inexperienced lawyers to spend countless hours "figuring it out" on their own;
- Optimize the coaching and mentoring time of your experienced attorneys; and
- Reduce the amount of rework and revision time expended by your more experienced attorneys.

As a result, your experienced attorneys then have more time for high-value work.

c. Template Library

You have undoubtedly heard of template libraries, which are collections of forms, letters, pleadings, discovery requests, etc. regularly used by an attorney. Historically members of the firm kept their own template library, which may or may not have been shared with other attorneys across the firm. While certainly beneficial to an individual attorney, separate template libraries tend to foster inconsistent quality and a considerable waste of time spent searching for exemplars or creating their documents from scratch.

Technology allows you to create a platform-based library that houses a variety of templates (generic, matter specific, jurisdiction specific, and/or client specific) that is accessible by your entire legal staff. This not only reduces the time needed to find and create documents, but it also allows you to create the best version of each such document and make that the version everyone can use. In addition to saving time, easy access to the recommended version of your routine documents promotes greater and more consistent quality of your work product.

Hickey Smith's technology platform facilitates easy document generation. After selecting a template, the system pre-fills the document with case-specific information captured earlier in the matter. That information could be as simple as the case caption or as complex as key details from a case evaluation or a recent deposition or mediation. The platform provides the case team member with a draft document that he or she can then revise as necessary and finalize. Once finalized, documents are filed to the integrated document management application for other team members to view or further revise if needed.

Technology enables you to take the expertise and knowledge of your best lawyers and make it readily accessible to everyone. That reduces errors, improves consistency and quality, while also eliminating much of the time lawyers used to spend providing instructions, learning how to perform a particular task, locating or developing the right template, or basically reinventing the wheel time and time again. That time can be better spent performing high-value legal activities – communicating, negotiating, strategizing, etc. – that provide the greatest benefits to your clients.

Disaggregation: To Outsource or Offshore?

As discussed above, once you deconstruct a process, you can better identify opportunities to eliminate unnecessary or redundant tasks, automate tasks, or push tasks to those team members who are best able to handle that particular task in an efficient and cost-effective manner. In some cases, you can centralize certain tasks to team members who are more adept at performing the task. Specialization can drive efficiencies, saving time and lowering costs. Calendaring, initial document generation, and basic legal research are all good examples.

However, sometimes the people who can most cost-effectively perform a given task are not part of your current team. Rather, they may exist in another company. Disaggregation, or the unbundling of tasks or work, allows you to move those tasks to others who can effectively perform the work at a lower cost. Depending on the task, those cost savings can be passed along to your clients or help you reduce your overhead costs. Document review is a good example. There are now many LPOs that can perform document review work more efficiently and at markedly lower cost that the traditional approach where law firms use associate attorneys to perform the work themselves.

Beyond outsourcing tasks to other companies in your own country, offshoring is an option where work is transferred to overseas resources, whether internal or external, who can effectively manage the work at a substantially lower labor cost. The primary driver for offshoring is lower labor costs. As you will recall, part of our strategic vision is to enable anyone on our team to manage their work regardless of where they may be physically located. Whether they are in an office, in their home, at a client location, or in London or Manila or Chicago. No matter their location, they are they have the full functionality of the firm's secure platform at their disposal. That capability permits the seamless assignment of work to anyone on the assigned case team, anywhere in the world, where the work can be efficiently performed with the requisite quality and at the lowest labor cost. This allows Hickey Smith to take advantage of lower labor costs overseas, where appropriate.

While shifting work to third-party vendors, whether onshore of offshore, your firm is still ultimately responsible for the quality of the legal work product. As such, you need to be confident that the right level of oversight and quality control is in place. The right controls must be in place up front before you can consider unbundling the work. That oversight and control has a time and cost investment that you need to consider when determining whether outsourcing or offshoring is a cost-effective option for your firm and clients.

With respect to offshoring work, sophisticated firms may consider hiring dedicated resources in that country not only to perform the work itself but also to supervise the local staff. On-site supervision provides a degree of oversight and control that you would not have with third-party vendors, as well as focused training and development. Attorneys licensed to practice in the United States with ethnic, cultural and linguistic ties to the local staff provide the most effective oversight and quality control for offshored work from my perspective, especially if they are an integrated part of your firm's team.

Communication: Real Time and Real Easy

Client communication in the legal services arena has evolved most dramatically over the last few decades. Face-to-face. Mail. Phone. Fax. Email. Mail (i.e., "snail mail") is infrequently used today. Faxes are still used occasionally. Email and other forms of electronic communication (including texting) are becoming more and more the norm, even supplanting the telephone conversation, especially amongst younger people.

Technology now provides firms the ability to integrate a secure client portal with their legal matter management applications. As you will recall from our strategic vision, our platform must provide for secure, real-time, two-way communication with our clients. Key appointments, documents, messages, and tasks can be uploaded in real-time to a secure portal for client can access as their convenience. That allows the client "self-service" access to case status. Establishing a client portal provides yet another source of value to the client, which enhances their experience with the firm and differentiates the firm in the marketplace.

Data Analytics: A Key Differentiator for Law Firms

We've all heard about Big Data, which is basically the technology-enabled analysis of large volumes of data to spot trends, provide insight for making improve decisions, and guide strategy. With the possible exception of time entries for billing purposes, most law firms don't capture much in the way of data today. Deploying technology to drive your work processes allows you to simultaneously capture a variety of data elements in the normal course of performing case management tasks. Over time, that data can be analyzed to identify improvement opportunities and provide insights as to how a client may be able to reduce its litigation or business risks. Data analytics can also be used to develop a robust set of key performance indicators or metrics for internal purposes, as well as for customized client reports and scorecards.

Sophisticated clients use data and key performance metrics to drive their internal business strategies and measure and evaluate their vendors, including law firms. The success of your firm depends in large part on your knowledge of those metrics, how your firm performs relative to those metrics, and how your firm compares with other firms in terms of the key performance indicators. Lack of knowledge in this area can cause issues in terms of client satisfaction and retention. Thus, aside from the performance metrics and insight for clients, your ability to capture and leverage data may also be a matter of survival in the future legal services marketplace.

Data capture must be strategic. It can be easy get carried away when it comes to data capture, so it has the potential to become yet another inefficient and time-consuming process in and of itself. To avoid this issue, give careful thought to what data is important and why, how you will use it, and how you will capture it. To help determine which data elements to capture, ask yourself:

- What data and metrics do we need to continuously measure, evaluate and improve the performance of our business?
- What data and metrics are our clients using to measure our performance?
- What data would help us make better decisions for our clients, whether in the context of a given case or in relation to trends or insights that may help them mitigate their risks?

Once you've determined the right data elements to capture, you need to make it as painless as possible for your staff to capture the data. It should be captured in the context of work that your staff would normally perform. That will greatly improve the accuracy and timeliness of your data capture. For Hickey Smith's onPoint platform, we consciously decide what data should be captured and how best to do so. Once captured, the data then populates a database, which we can then query for analysis and reporting.

Your firm's ability to capture, analyze, and manage data, both for the benefit of your firm and your clients, will become more and more of a differentiator for law firms in coming years. Not only does it allow you to identify and exploit improvement opportunities in your own business, but clients value information and insights that can help them improve their business performance and achieve their business goals. The firms that can provide that data and those insights will have a marked advantage over those that cannot.

Data Security: Achilles' Heel or Competitive Advantage?

Of course, a greater reliance on technology, electronic communications, and data presents a variety of challenges associated with data security. That is obviously a significant and growing concern for clients, especially with the frequent incidents of data breaches that are becoming more and more common. Given the considerable costs associated with data breaches, as well as the damage to the client's reputation, clients are rightfully concerned about the threat. For clients, their vendors (including their law firms) can be their Achilles' heel when it comes to data security. Fortunately, it's possible to employ the latest technology to protect that data and minimize that risk to the extent possible.

Law firms can demonstrate their commitment to data security by becoming ISO 27001 certified. ISO 27001:2013 is an internationally accepted set of standards for information security management, which helps organizations keep information assets secure. Certification is only awarded to companies that can meet the standard as judged by accredited, independent auditors. Achieving this certification takes a fair investment in time, resources and money, and changes need to be implemented internally to your platform, controls and policies. However, clients put tremendous value on the security of their data and it's likely that, at some point in the very near future, clients will require outside law firms to become data security certified to validate their own security policies and practices.

Conclusion

This article provides a high level overview of how your firm can create your own vision for how legal services will be delivered in the future. If law firms want to not only survive but *thrive* in the legal market place of the future, they must embrace technology along with the proven business strategies that have helped other industries transform the way they do business. The tools are readily available. To be successful in this endeavor, law firms must pursue their strategic vision in a very focused and disciplined

manner with the necessary sense of urgency. Urgency is required, as the practice of law is already changing. If one falls too far behind, it may become quite difficult, if not impossible, to catch up.

While the law firms embracing business strategies and technology in a strategic manner may be few in number, they are transforming the way legal services are delivered. At the same time non-law firms are continuing to explore how they can change the game and gain their piece of the legal services pie. Collectively, law firms and non-law firms are pursuing their visions for how legal services will be delivered in the future. In the not too distant future, their vision may be the new normal.

Is your law firm ready for the future?

About the Author

In his role as Hickey Smith's Legal Operations Partner, Thomas Lysaught is responsible for managing the firm's global operations, including client service and satisfaction, staffing, performance management and training, workflow, and organizational planning. Tom is an attorney and a results-oriented, process-driven operations executive who has been recognized for consistently improving quality, client service, and operational performance.

Prior to joining Hickey Smith, Tom held a number of executive management roles in the commercial insurance claims industry, most recently as senior vice president of Liability Claims for Zurich North America. He has a keen understanding of how law firms can improve quality, reduce costs, and better align with their clients' business expectations and needs, thereby enhancing their client value proposition and competitive position in the legal service marketplace.

Tom is an active member of the Defense Research Institute, serving as co-chair of the Insurance Law Committees' Insurance Industry Advisory Board. He is also a member of the American Bar Association, ARIAS US, and the International Association of Defense Counsel.