

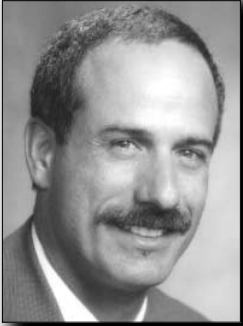
# THE BOTTOM LINE

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## AUTOMATING YOUR LAW FIRM: THOUGHTS ON LEGAL SOFTWARE

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### Introduction

This article is intended to be a general discussion of software categories that a law firm may consider using. In some cases specific software products may be named as examples, but these are not meant to be endorsements of these products. Also, it is not unusual to find that software products are often designed for firms of different sizes. That is to say, some products function well only in small or medium sized firms, while others are suited for larger firms.

### Making software selections: Defining your requirements

An effective way to begin a software selection process for your firm is to make an effort to define your requirements as clearly as possible. If you purchase the right products, those that will meet your needs (at least the needs that you can foresee in the near future), your firm should be able to implement the software products efficiently and get benefit from the cost incurred. Here are some examples of what it means to “define your requirements.”

When you are considering a billing system, find out if you will need to submit your bills in an electronic format. This is typical if you have, or hope to acquire, large corporate or institutional clients (e.g., banks, insurance companies, government agencies). There may be other specific billing formats or requirements that your clients request of your firm. So, having a sense of these when you are choosing a billing software program will reduce your administrative efforts later.

Calendaring of court cases (docketing) is another example of a software function that can benefit from a clear definition of your firm’s needs. This relates primarily to court rules. Some firms will handle their important

deadlines by placing entries into their existing calendar programs such as Outlook. If your firm requires a more controlled method of docketing, a software company that maintains court rules in various jurisdictions may impact your choice of a calendaring program.

### General office programs: Office suites (word processing, spreadsheets and presentations)

The most common application in any law firm is the word processing program. Although it is possible to purchase a stand-alone word processing program, the pricing and marketing of these programs usually means you will be acquiring a “suite” of programs that typically include a spreadsheet and a presentation program. For example, when you acquire Microsoft Word, you will probably also get Microsoft’s Excel and PowerPoint along with it. The word processing programs found most often in a law firm are Microsoft Word and Corel WordPerfect.

While new installations of WordPerfect for legal work have undoubtedly continued during the past decade, the percentage (or market share) of installations in this market has declined significantly with the marketing success of Microsoft Office. WordPerfect will often remain necessary, at least to process existing WordPerfect files, but it is not on a trajectory to return to its former glory. Microsoft Office, however, is no longer the unchallenged leader. A movement has developed around a free program called OpenOffice by Sun Microsystems. OpenOffice is appealing not only because of the cost (free), it is also available on Windows, Mac, and Linux PCs.

While free software is attractive, there are considerations beyond cost that should affect

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your decision. One of the reasons that Microsoft Word has become so common place in law firms is that so many of a law firms' clients are using the program. So, in some cases, your decision may be dictated by the need to remain compatible with your clients, and/or other law firms that you may be working with. Another reason to stay with either Word or WordPerfect is because of the way that integration exists with other law firm specific programs that you may be working with. That same integration is not likely to function properly with less mainstream programs.

### **Communications (email, fax)**

Communications programs have grown in importance as a result of the popularity of email, and also because of the law firm's interest in reducing the amount of paper that is handled by the firm. It is now possible to electronically handle emails, as well as inbound and outbound faxes, by making a choice from a variety of software products. There are options available for individual desktop computers as well as network servers that can service multiple people on your network. There are also Web-based services that can handle these functions. The new challenge with large volumes of electronic documents has become how to manage these items (in place of managing paper files and storage boxes).

Some users have chosen to set up folder systems within their email program to file, or categorize their emails and faxes. The downsides of this approach are that access to the documents is limited to a single person, there are typically storage limitations to the individual email programs, and backing up the messages may not be part of an organized and scheduled process. A discussion of the ability to manage electronic messages and their related documents appears in the Case management and Document management section below.

### **Billing and accounting**

The determinative issues associated with choosing your billing and accounting software usually center on the billing features that your firm may need to meet your client's requirements, and the reporting features that you will use to manage your firm. These elements must be considered regardless of which products you are choosing between. But beyond these basics, there

are other elements of today's software products that can contribute to your decision.

A common question that small firms raise is whether to use a single program that handles both billing and accounting (such as PCLaw), or to use separate products that are marketed as best-of-breed (such as Timeslips and QuickBooks). Other decision points could include the desire to use a Web-based product, the ability to integrate your accounting with other programs, and the experience of your existing staff.

## **A SOFTWARE COMPANY THAT MAINTAINS COURT RULES IN VARIOUS JURISDICTIONS MAY IMPACT YOUR CHOICE OF A CALENDARING PROGRAM**

### **Calendar and case management**

The use of calendars in law firms tends to be grouped into two categories. One category is deadlines or docketing (dates relating to trials or statutes of limitations, etc.), and the other is managing appointments and the whereabouts of firm members. Some firms segregate these two categories (and may even maintain two different calendars to achieve this segregation) or choose to manage only deadlines; others combine the two together. In either situation, having easy access across the firm to enter, update, and view calendar entries should be the goal. Calendar functions are often included, and are typically central to, a case management system. Case management includes many of the elements necessary to manage a case, or a matter, in addition to the calendar. This can include notes, documents, emails, and phone calls. A case management system allows firm employees to turn to a single location to find information relating to each case.

The calendar and case management systems on the market have various strengths and weaknesses. If your firm can prioritize the importance of various features, your effort to choose a program will be made easier; here are some examples. Group calendars allow the firm members to see each other's schedules, and in many cases see several peoples' schedules on the same screen. If your firm uses Outlook, then group calendar-ing is available only if you also use a Microsoft product called Exchange (which requires additional software and computing power). If your firm is focused on docketing over personnel scheduling, then some programs offer the ability to purchase court rules for various jurisdictions (such as Compulaw Vision or Abacus).

### **THE SPEED AND EFFICIENCY OF FINDING DOCUMENTS CAN HAVE A VERY MATERIAL IMPACT ON THE SMOOTH OPERATION OF THE FIRM**

If the lawyers in your firm use hand held devices such as the Blackberry or the Palm Treo, then some calendar and case management systems can synchronize more easily with one device than with another. Some products are a good fit for law firms because they are case-centric (Abacus, Amicus Attorney, Time Matters, or Prolaw). That is to say, they maintain lists of cases and are not limited to lists of only contacts, which is the situation with Outlook, ACT!, or Goldmine. So, although calendar and case management programs have seen steady growth and increasingly popularity within law firms in recent years, choosing the right product for your firm requires thought and planning.

### **Document management**

The primary purpose of document management software is to make it easier for firm members to find the right document quickly. Additional features include version control, life cycle management, controlling the movement of documents to and from a laptop, and the ever increasing desire to manage and share the landslide of electronic communications (emails, faxes, and news feeds). A document management program works by inserting itself into the process of saving a document. When the users save a document (or email, or electronic fax), she or he is required to fill out a form that will categorize that document. The categories are usually customizable by your firm and typically include fields like client name, matter name, document type, and author. The documents can then be retrieved using these same categories. Since the volume of documents in many small law firms is counted in the tens of thousands, and larger firms have hundreds of thousands of documents, the speed and efficiency of finding documents can have a very material impact on the smooth operation of the firm, and in turn, the service that can be delivered to the client.

### **Networking**

Networking means that you want to connect the computers in your firm together in order to share printers, documents, Internet access or other resources and devices. Today there are a limited number of options to consider when networking your machinery. Primarily those options include systems from Microsoft, Novell, and the Linux operating system.

It took Microsoft most of the 1990's to unseat Novell as the business standard for office networks. While some firms and technicians still respect the capabilities of Novell products, when you talk with your colleagues, you will find that most of them use a Microsoft network for their servers. One reason is the number of readily available technicians that are familiar with Microsoft products. Another reason favoring Microsoft are the applications that can run only on their network software. For example, many programs use an underlying database called SQL (pronounced see-quill), which stands for Structured Query Language. Although this is meant to be a standard language, the word "standard" is a bit misleading. Even though there are many flavors of SQL, the version

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of SQL used by many of the programs in the market require the Microsoft edition of SQL and must run on a Microsoft operating system. Some examples include recent versions of Amicus Attorney, Time Matters, ProLaw, Juris, and Compulaw Vision, to name just a handful. Other types of programs that run on a network, such as anti-virus and backup software, have a wider selection of products if you are in the Microsoft environment.

### Web sites

Web sites are often designed to promote the firm to prospective clients. These are often referred to as brochure Web sites. Increasingly, some firms' Web sites are being used to facilitate communications with clients. These can now be securely integrated with databases and document libraries to speed client access to needed files and information. Web sites can be developed by personnel within your firm using desktop programs, and some ISPs (Internet Service Providers) offer software to assist you in developing your own Web site on their system. However, the most common approach for law firms developing a Web site is to use independent consultants that specialize in this technology.

### Practice specific programs

There are some programs that target specific areas of practice. Examples include consumer bankruptcy, tax, and evaluation products used by family law firms. One of the challenges for the developers of these programs is that the markets to which they can sell their products are small. While Microsoft may sell millions of copies of their programs, a specialized product for a particular law practice may be able to sell only thousands, or more likely only hundreds of copies. The high cost of development, marketing, and support for a software program makes specialization the exception rather than the rule. Your peers, and electronic bulletin boards (such as TechnoLawyer), are the best source for finding these types of applications.

### Cost recovery

If copiers and faxes and other devices are cost centers, you may want to manage their use with software technology. Cost capture systems are designed to report usage to your time and expense billing systems. Because these are specialty programs, many firms con-

sider the implementation of a cost recovery system to be surprisingly high. However, when weighed against the ability to efficiently recover often substantial costs, these products can pay for themselves fairly quickly in an active law office.

## THE BENEFITS OF SHARING INFORMATION AND EXTENDING THE OFFICE TO ALMOST ANY LOCATION MAY SHAPE THE CONCEPT OF THE OFFICE AS WE KNOW IT

### Hosted applications

A hosted application means that you are using a computer system and software that are not located within your own office. For example, have you ever used Web mail (a way to check your email via the Internet without using email software on your PC)? This application and your data are hosted (or located) on servers accessible via the Internet. In recent years law firms have been hesitant to consider a hosted environment due to concerns about security. Another concern was the reliability of the Internet connection. These objections are continuing to be addressed and reduced. More hosted applications are gaining recognition and acceptance for every aspect of the work you do on your computer. These include time entry and billing, case and contact management, document creation and management, and more. The performance of these offerings may not measure up to your existing desktop applications, but that will continue to change. The benefits of sharing information and extending the office to almost any location may shape the concept of the office as we know it.

### Backup and disaster recovery

Backing up your data has always been important. But as firms continue to take action to satisfy their desire to migrate away from paper and move more towards dependence on electronic information, and as we face threats that are beyond a mere computer hardware failure, backing up your systems has gained more attention. Also, your firm should be paying attention to issues beyond just “having a backup.” Having the ability to retrieve an older version of a document, or retrieve a document that was accidentally deleted is one circumstance. Being able to put your system back together after a more substantial business disruption is another type of effort.

The backup format of choice has traditionally been tapes. The material was fairly inexpensive, and the capacity for storing data was reasonable. In recent years, using the tape format has lost popularity. It is slow, it isn't easy to find data when you want to restore particular files, and the software isn't terribly convenient. Backup to disk is an alternative and is easier for restoring data than tape. Good backup procedures call for media to be taken off-site; so you'll need a system for rotating your backup tapes or hard drives to a remote location.

Internet backup systems are now becoming more popular. This approach copies new and changed files to off-site media without moving the physical disk. The volume of your data and the bandwidth of your

connection will affect the cost and viability of this option for your firm.

How all these techniques will fit together into a disaster recovery plan is more than making a software decision or choosing which format to use for your backups. Hardware, data, geographic locations, logistics, and staffing must be combined into an administrative plan to prepare your business for an efficient recovery.

### Summary

Choosing software for your firm should be guided by clarifying your requirements, deciding if you want to stay mainstream or be cutting edge (which often means being experimental), and safeguarding your data and systems. Although these tasks can be tedious and time consuming, the payoff will be greater productivity, easier growth of your firm, and comfort sleeping at night.

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